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QIAN JIADONG DISCUSSES SELF-DETERMINATION

OW110837 Beijing XINHUA in English 0641 GMT 11 Feb 87

[Text] Geneva, February 10 (XINHUA) -- There has been "no evident improvement" in the situation where the right of peoples to self-determination is violated, a Chinese delegate to the 43d Human Rights Conference said here Tuesday.

Qian Jiadong, leader of the Chinese delegation, said that Palestine, Namibia, Kampuchea and Afghanistan pose the most salient questions in this regard.

The 40-day conference beginning February 2 has shifted from the topic of human rights in the four areas to national self-determination, and will discuss problems in the international economic order.

Qian said Israel must recognize the right to existence of the Palestinian people and withdraw from the Arab territories it has occupied since 1967, so that the Palestinians "can return to their homeland and establish their own state."

He said the Chinese Government supports the idea of an international conference aimed to solve the Middle East question, at which the Palestine Liberation Organization (PLO) attends as the "sole legitimate representative of the Palestinian people."

With regard to Namibia, Qian said the international community should "adopt more effective measures of sanction" against South Africa to bring about an early independence of Namibia.

On the issue of Kampuchea, Ambassador Qian said Vietnam's proposals are "nothing but postures designed to deceive itself as well as others" as it "evaded the most crucial question of troop withdrawal."

The Vietnamese must cease to interfere in Kampuchea's internal affairs and let the Kampuchean people determine their destiny according to their own wish, he said.

Referring to the situation in Afghanistan, the Chinese delegate said that if the Soviets have the sincerity, they must "set a reasonable time table acceptable to the international community and withdraw their troops completely" as soon as possible so that the country can restore its independent, neutral and nonaligned status.

USE OF FOREIGN GOVERNMENT LOANS INCREASING

OW111355 Beijing XINHUA in English 1322 GMT 11 Feb 87

[Text] Beijing, February 11 (XINHUA) -- Since 1979, 17 foreign governments have promised China loans totalling nine billion U.S. dollars, according to "ECONOMIC INFORMATION."

Of the 249 projects covered under the loans, more than 60 percent involve energy and transportation development.

Japan, Belgium, Denmark, Kuwait, Italy, Austria, Switzerland, Sweden, Australia, the Federal Republic of Germany, Spain, France, Finland, Norway, Britain, Canada and the Netherlands have granted the loans.

The New China Sugar Refinery in Jilin Province, which was expanded with an interest-free loan from Denmark, has doubled its productivity and is expected to conserve 48,000 tons of coal annually. A dairy products factory in Heilongjiang Province has improved product quality and reduced coal consumption by 70 percent after importing up-to-date equipment with a loan from the Danish Government.

ZHANG JINGFU MEETS VISITORS FROM FRANCE, CUBA

OW111251 Beijing XINHUA in English 1224 GMT 11 Feb 87

[Text] Beijing, February 11 (XINHUA) — Chinese State Councillor Zhang Jingfu discussed bilateral trade with visitors from French and Cuban commerce chambers on separate occasions here today.

China will abide by its policies of opening to the outside world and economic reform, the state councillor said during his meeting with Xavier de Villepin, French Senator and chairman of the Union of the Chamber of Commerce and Industry for Foreign Countries.

Zhang expressed the hope for Sino-French cooperation in technological transfer.

While meeting Julio Garcia Oliveras, president of the Chamber of Commerce of Cuba, Zhang expressed the hope that China and Cuba would expand trade on the basis of mutual benefit.

Garcia said that it is important for Cuba to develop its trade with China. He hoped that he could find more ways to increase bilateral trade during his current visit.

The French and Cuban visitors have come at the invitation of Jia Shi, president of the China Council for the Promotion of International Trade.

AIRCRAFT DISPUTE THREATENS U.S.-EUROPE RELATIONS

OW081321 Beijing XINHUA in English 1257 GMT 8 Feb 87

[Roundup: Aircraft Dispute Threatens To Again Sour U.S.-European Trade Relations — (By Yang Yuanhua)" — XINHUA headline]

[Text] Beijing, February 8 (XINHUA) — Another trans-Atlantic trade conflict is threatening to follow on the heels of last week's hard-won compromise on American grain sales to Europe, with the U.S. Government this time complaining that "unfair" subsidies are giving Europe's major passenger aircraft builder the edge over its American rivals.

The conflict, which could aggravate U.S.-European trade tensions, was sparked by U.S. charges that government subsidies allow Europe's Airbus Industrie to sell its airliners for 25 percent less than its American competitors. This practice may have cost U.S. builders potential sales worth 3 billion U.S. dollars, Washington says.

At the heart of the dispute is Europe's attempt to prevent the U.S. -- in particular the industry-leading Boeing Corporation -- from monopolizing the world market.

Airbus Industrie -- a four-nation consortium set up by France, Britain, Federal Germany and Spain 16 years ago to build passenger airliners -- has secured a substantial new foothold in the market traditionally dominated by its more powerful rival, Boeing.

And recent Airbus inroads into the U.S. market, notably a sale of 100 A-320s to Northwest Airlines late last year, helped trigger the current confrontation.

Airbus Industrie reported a record sales start for 1987, saying 97 firm orders and options for its aircraft were placed in January. The 5 billion dollars worth of orders and options are for Airbus Industrie's new A320 short-haul airliner and planned A340 wide-bodied, long-range aircraft.

But aggressive marketing on the part of Airbus has prompted U.S. companies to cry foul. The European consortium recently made offers to airlines that had already signed letters of intent to purchase with McDonnell Douglas, the second-largest passenger aircraft builder after Boeing.

McDonnell Douglas says it will have its new wide-bodied airliner, the MD-11, in the air by 1990. The MD-11 will compete with Airbus' A340, which the consortium says it will sell 500 of and already has firm orders for 15. Airbus, in a statement issued January 29 to deny American allegations of unfair trade practices, said the A340 is an attractive jet because it is "economically far superior" to the MD-11.

The Reagan administration hurriedly sent Under-Secretary of Commerce for International Trade Bruce Smart and Deputy Trade Representative Michael Smith to London, Paris and Bonn early this week in an attempt to persuade European governments to reduce subsidies to Airbus Industrie. But the two American officials met with no success.

U.S. officials have said Airbus is not competing fairly with Boeing and McDonnell Douglas and threatened to file unfair trade practice charges at the General Agreement on Tariffs and Trade against the European consortium. Sources close to the Reagan administration have said reprisal measures against Airbus Industrie could be announced next week in the absence of an agreement between the United States and European governments.

The U.S. firms charged that the Spanish, British, Federal German and French Governments have poured about 15 billion dollars into the Airbus project since 1970. But the European consortium has rejected charges that the government help gives Airbus an unfair edge over the giant American aerospace companies. Those companies receive subsidies from Washington -- mostly for Pentagon defense projects -- five times greater than what aircraft manufacturers in the European community get from their governments, Airbus says.

The British trade minister responsible for aerospace, Geoffrey Pattie, said the talks were held in a difficult and "sometimes acrimonious" atmosphere. He said the European side found it strange that the United States, controlling 80 per cent of the world market for passenger aircraft, should be worried about the activities of Airbus.

France's Aerospatiale Corporation, one of the Airbus partners, on January 31 accused the U.S. companies of trying to gain a monopoly of the world airliner market. Bonn, for its part, says that since 1970 the U.S. aircraft industry has received 50 billion dollars in financial assistance for research and development, 80 per cent of its total budget for such activities. The two U.S. firms already dominate the international market for commercial airliners, accounting for 80 per cent sales last year.

In the background of the dispute is the hard fact that the world market is shrinking, and the fight for a share of that market envolves subsidies and inevitably bitter complaints about unfair trade practices.

The day before the arrival of Smart and Smith in London, European commissioner Willy de Clercq said the United States wants to let others pay for their internal difficulties.

The war of words heating up between the United States and Europe on trade issues indicates that vast differences will continue to divide the Atlantic partners when economic interests are involved. De Clercq said 1987 would be a very hard year, but stressed that Europe will encounter the United States in all fields.

INTERNATIONAL AGRICULTURAL EXCHANGE DEVELOPED

OW070820 Beijing XINHUA in English 0755 GMT 7 Feb 87

[Text] Beijing, February 7 (XINHUA) — China and more than 90 other countries and regions participated in international agricultural exchanges.

Zhu Pirong, official of the Ministry of Agriculture, Animal Husbandry and Fisheries, said that China had over 100 exchanges with foreign countries and international organisations. They centered on technological cooperation and academic exchanges in the fields of grain production, animal veterinary science, aquatic breeding and fishing and industries in towns and villages.

China has funded more than 60 technological services for Third World countries in agriculture, animal husbandry, fisheries and hydro power generation.

China also provided African countries with fertilizers and helped them control locust infestations. This assistance promoted the friendly relationship between China and the Third World countries.

Over 600 Chinese scientific personnel are doing cooperative research and study abroad. About 100 foreign specialists have come to China to give lectures and do research work.

Zhu added that China introduced from abroad seeds of asparagus, American ginseng and herbs. China also provided foreign countries with seeds of garlics and leaf mustard.

RADIO VIEWS U.S.-USSR NUCLEAR TESTING DISPUTE

OW110122 Beijing in English to North America 0000 GMT 10 Feb 87

[Text] The Soviet Union intends to carry out nuclear tests again following unilateral suspension that lasted more than 1 year.

The Soviets made that decision last week after the United States conducted its first test of 1987. Not long before that, representatives for the two countries met in Geneva to begin their fourth round of talks on limiting nuclear tests. Under such circumstances, it is difficult to expect any positive results from the negotiations. Here is Zhang Tao with an analysis:

The Soviet Union temporarily banned the nuclear testing in August of 1985. The unilateral moratorim was supposed to end on the first day of 1986, but the Soviets extended it on several occasions. Time and again, they have called on the Americans to suspend nuclear testing, but the United States has always refused to join the moratorium. Instead, the Americans have suggested other ideas such as allowing the Soviets to observe the United States' tests. The Soviets have never accepted the proposal.

The Soviet Union has repeatedly described the suspension of nuclear tests as a major step toward ending the arms race. The Soviets have criticized the Americans' refusal to take part, calling their policy confrontational and designed to gain military superiority.

The Americans, meanwhile, said suspension of nuclear testing is against their interests and those of their allies. They argue that testing is essential to guarantee the reliability and effectiveness of their nuclear deterrent. Analysts say the United States needs to test its nuclear capability in order to develop space weapons. They say the Soviets are trying to block the development of the Americans' strategic defense program by demanding a moratorium on testing. The Soviet declaration of the suspension is also considered good propaganda.

The United States reportedly conducted more than 20 underground tests during the Soviets' 18 month suspension. At the end of last year, the Soviet Government warned that it would resume testing in 1987 if the United States continued. The Americans replied by saying the decision was up to the Soviets to make on their own.

The Soviet Union's response to the latest American test has been quick and strong. Vice Foreign Minister Vladimir Petrovskiy announced on Thursday that his country had to begin nuclear tests again in order to defend its security and that of its allies. A Soviet Foreign Ministry spokesman has said that the test has been carried out without any restrictions. He has also said the Soviet Union would not necessarily begin testing soon; the timing would depend on political and military considerations.

The struggle over the issue indicates that the question of nuclear tests is important to both superpowers. Neither is willing to give up its position, particularly because the future of the Strategic Defense Initiative is related. That means the Geneva negotiations will be tough and the two countries are unlikely to reach any agreement within a short period of time.

USSR, EASTERN EUROPE REFORM TRENDS ASSESSED

HK120806 Beijing BAN YUE TAN in Chinese No 1, 10 Jan 87 pp 33-35

[Article by Xu Kui (1776 5525), director of the Institute of Soviet Union and Eastern Europe under the Chinese Academy of Social Sciences: "The Development Trends of Reform in the Soviet Union and Eastern Europe"]

[Text] The old year has passed; a new year has begun. To the Soviet Union and the socialist states of Eastern Europe, 1987 will be an important year. During the past year, these countries have all scored new successes and achieved new development in socialist construction and economic reform. [paragraph continues]

Five of these states have successively convened their party representatives' congresses, and decided on the important guidelines on socio-economic development from now on. The reform will continue to intensively develop.

After the 27th CPSU Congress, the Soviet people, implementing the reform measures formulated in the party congress, have worked tenaciously and effected a change from the state of an unprecedented decline in the economic growth rate in the early 1980's, bringing about a turn for the better in the economic situation. From January to October inclusive last year, the gross industrial output value increased by 5.1 percent, 4.3 percent higher than the annual plan and marking the highest level in the most recent 8 to 9 years. The gross grain output amounted to 210 million tons, being the fourth best year in the history of the Soviet Union.

Naturally, the Soviet Union's changes have only just begun. In the reform, there are still many impediments and difficulties. Gorbachev has pointed out: In the whole process of the reform, old habits have still been stalling the efforts made and the force of laziness has still been very great. Many people only talked but did not move at all. Nonetheless, the Soviet Union's reform is a necessity from the point of historical development. To cite the words of the Soviet leadership, it has an "irreversible nature." In fact, the Soviet Union has decided that starting from 1987 a series of new reform measures will be undertaken.

Begining from 1 January 1987, the Soviet Union will carry out experiments on all fronts in extending the autonomous power of state-run enterprises. Certain of the economic departments will wholly adopt the business accounting system. The whole country's machine-building, petrochemical, motor vehicle manufacturing and maritime transport departments and some 40 business combines and large state-run enterprises will completely enforce the principles of being solely responsible for their own profits and losses and the self-raising of funds. Major products will be subjected to the system of the state's checking before acceptance.

Beginning from early this year, the Soviet Union will carry out measures to improve the handling and management of foreign economic relations. The purpose is to enable the scale, structure, and form of the country's foreign economic relations to correspond to the intensification of the Sovit economy and meet the demands for speeding up scientific and technological development.

Improvement in the Soviet Union's external economic control is a constituent part of the work of the overall reform of the entire economic mechanism and the transition of the production combination companies and enterprises to a complete business accounting system, to being solely responsible for their own profits and losses, and to raising the needed funds by themselves. It can also strengthen their concern with improving the quality and increasingd the output quantity of their products, speeding up their adoption of the results of scientific research, and improving production benefits.

In accordance with this policy, the Soviet Union's 21 ministries and departments-in-charge as well as the 70-odd large industrial combines and enterprises have obtained the right to directly export to foreign markets. The great majority of them have taken up the tasks of providing large quantities of goods for export or maintained their relationship with their partners and contemporaries abroad in cooperating in scientific research, technology, and industrial development.

By early 1987, the Soviet Union will have completed the reorganization work of its Foreign Trade Ministry and the State Commission on External Economic Relations in delegating a portion of their functions to organs at the lower levels. [paragraph continues]

The organizational chart of the various departments and enterprises endowed now with the right to develop direct imports and exports will include foreign trade combines and management departments which handle their own business accounting.

Moreover, the Soviet Union has stipulated the invogoration of the joint companies and enterprises and organizing direct relationships with countries and partners from the Council on Mutual Economic Assistance (CMEA). Commencing from 1987, there will be a gradual transition of the usual forms of these relationships such as the exchange of experiences, and exchanges of information, scientific and technological knowhow, and reciprocal sending of specialist delegations to the forums of cooperation in science and technology and in production.

Beginning from this year, the private economy in the Soviet Union will gain a limited level of development, and peasant families will be allowed to practice the contract system in agriculture. More recently, the Soviet Government has sanctioned pilot projects in new privately-run cooperatives in the republics of Russia, Latvia, and Belorussia. It is anticipated that the private economy of this kind will achieve new developments in 1987.

Beginning this year, Soviet enterprises each year will have a fixed amount of salaries and wages funds. The more income an enterprise earns, the larger its salaries and wages funds will be. By means of improving its operational activities, an enterprise can accumulate the necessary funds and this provides the conditions for heightening the salary and wage standards of a portion or all of the workers and staff members. The highest total amount of an enterprise's bonus funds are determined by the upper-level organs but the ruling is that bonuses for the individuals have no ceilings.

As of 1 January, the leadership personnel of commercial units, companies, and enterprises in the Soviet Union will have permission to determine the scale in price reductions. Labor unions or collectives are empowered to handle and arrange for the disposal of funds for production development and social development.

Displaying democracy is an important constituent part of the Soviet reform. There are signs that in the new year the Soviet Union will devote efforts to improving and perfecting the measures related to the election of the state power organs. As of now, a certain number of organs and structures have allowed the masses to give their voice in the appointment or dismissal of cadres and in the appointment of heads of departments and committees, management bureau chiefs, plant directors, heads of workshops, and so forth. In this connection, new developments are expected from now on.

Party representative congresses in Czechoslovakia, Bulgaria, the GDR, and Poland have all formulated their development guidelines from now on in accordance with their respective conditions and after having summed up their past experiences. The agenda discussed in the meetings of these congresses frequently included the common problems which the East European states have met with in their development. For example, they have all taken the materialization of economic intensification as the central point of economic development, heightened scientific and technological revolution to a strategic high point, and advocated making further reform or improving the economic structure.

Last year, Romania's industrial output value showed a growth rate of 7 percent. In agricultural production, it obtained an especially bountiful harvest. It entered 1987 with full confidence. Yugoslavia and Hungary were the first two countries in Eastern Europe to have carried out reform and both have accomplished much in this respect. [paragraph continues]

But more recently, due to the disadvantageous international economic environment they have both met with definite economic difficulties. In the past year, these two countries penetratingly analyzed and examined their existing conditions and problems. They have formulated measures to overcome the difficulties in the course of their development and have further studied the problems of carrying out political reform along with the reform of the economic structure. Undoubtedly, in 1987, the East European countries will, in accordance with their own conditions, execute their new 5-year plans and speed up their new steps on the road to economic development and reform.

UNCTAD VIEWS PROTECTIONISM, THIRD WORLD DEBT

OW120422 Beijing XINHUA in English 0238 GMT 12 Feb 87

[Text] Warsaw, February 11 (XINHUA) -- Experts attending a three-day meeting of the United Nations Conference on Trade and Development (UNCTAD) stressed that protectionism is dangerous to international trade.

At the meeting, which closed here today, experts from 19 countries discussed the current international trade situation, the influence of protectionism on trade, and foreign debts of developing countries.

The experts were of the opinion that difficulties in the current international trade have not only resulted from local conditions, but also from some government policies.

The meeting worked out a number of recommendations to be submitted to the 7th UNCTAD scheduled for July in Geneva.

ZHAO ZIYANG RECEIVES NEW, OUTGOING ENVOY 6 FEB

OW061318 Beijing XINHUA in English 1259 GMT 6 Feb 87

[Text] Beijing, February 6 (XINHUA) -- Chinese Premier Zhao Ziyang met here today new Greek Ambassador to China Emmanuel Megalokonomos and Per Fischer and K.P.S. Menon, the outgoing ambassadors of Federal Republic of Germany (FRG) and India.

SHULTZ DENIES SDI DEPLOYMENT DECISION IMMINENT

OW090310 Beijing XINHUA in English 0255 GMT 9 Feb 87

[Text] Washington, February 8 (XINHUA) -- U.S. Secretary of State George Shultz denied today that a decision by President Reagan on early deployment of the Strategic Defense Initiative (SDI) is imminent.

He said a decision is not possible this year or even next year.

In an interview with the American Broadcasting Company (ABC), Shultz said Reagan's position would depend on progress made on the SDI project, popularly known as "Star Wars". He said there has already been "very considerable progress."

He added that any SDI deployment decision would have to be "technically fesible, survivalbe and cost-effective."

Shultz's statement came amid widespread reports here recently that the Reagan administration would soon adopt a "broad interpretation" of the 1972 Anti-Ballistic Missile (ABM) Treaty which could pave the way for extensive testing and early deployment of SDI.

Defense Secretary Caspar Weinberger, in an interview with the British Broadcasting Corp. (BBC) aired today, said the United States would renegotiate the ABM Treaty with the Soviet Union when Washington is ready to deploy elements of the SDI program.

"Everybody agrees that when we are ready to deploy (SDI), we will have to take advantage of the provision in the ABM Tready, which call for revisions or changes or additional permissions not now in the treaty," Weinberger said.

He also noted that more progress than had previously been thought possible has been made in research on SDI.

Chairman of the Senate Armed Services Committee Sam Nunn said today that a unilateral reinterpretation of the ABM Treaty by President Reagan, without prior consultation with Congress and U.S. allies, would be "a very bad mistake."

Such a step would mean severe cuts in funds for the SDI program, he warned.

JOURNAL VIEWS PROSPECTIVE U.S. GLOBAL POLICIES

HK122210 Beijing BAN YUE TAN in Chinese No 1, 10 Jan 87 pp 30-33

[Article by Wan Guang (8001 0342), director of the Research Department of the International Studies Center of the State Council: "The United States in 1987"]

[Text] The past year 1986 was a year in which the Reagan administration stepped up anew its efforts to seize overall strategic supremacy in the world and was also a year in which it met with difficulties and setbacks both inside the country and abroad.

In 1987, what will the United States' domestic and foreign policies and their conditions be?

It may be anticipated that the Reagan government will, following its established guidelines, continue to push the strategy of striving for supremacy. The basic pattern of U.S.-Soviet relations will still be one of confrontation and dialogue, interwoven with violent trials of strength and a limited relaxation of tension. At present, U.S.-Soviet arms talks are at a stalemate. The crucial point of their struggles lies on the one hand in their firm insistence and on the other in their stern opposition to the "Star Wars" plan of the United States. The Soviet Union seeks to restrain the United States from researching and developing space weapons, and struggles for time for a breathing spell. It also pushes the "accelerated strategy" of developing the economy and technology, maintaining military parity with the United States and then gaining supremacy. On the part of the United States, it firmly insists on implementing its "Star Wars" plan, seeks to gain military supremacy over the Soviet Union, refuses to give the Soviet Union time for a breathing spell, and, in a new round of the arms race, has destroyed the Soviet Union's "accelerated strategy."

This sharp conflict between the two countries' strategies, the United States and the Soviet Union, determines that U.S.-Soviet relations will still be tense in nature and it will be difficult for them to reach any important and concrete agreements. However, in the new year, concurrently with the two countries engaging in all-round race, the United States will continue to hold talks with the Soviet Union in an attempt to ease the situation to a limited extent. This is because in 1987 the United States, like the Soviet Union, will have to devote more efforts to tackling domestic problems and to avoid an intensified conflict between the two countries. Both countries are under the pressure of world opinions and the demands of their respective allies to ease the situation and to turn to disarmament. Domestically, both countries have their own financial and economic difficulties. In the new round of the arms race and in the struggle for spheres of influences, they both need to find certain new regulations in the competition and seek some sort of partial and temporary understanding and agreement. However, in view of the seriousness of the conflict, in 1987 whether or not the United States and the Soviet Union can reach any understanding and agreement still depends on the development from now on in both countries and in the world situation.

The U.S. Government will continue to push "Reaganism" in the Third World and to use the "dual-track" method: On the one hand conducting a "low-key war" against Third World countries such as the armed attack on Libya and aid to the antigovernment armed forces in Nicaragua and, on the other hand, changing its tactics in the Third World to retrieve and maintain control over the fronts which "it has already lost" or "will possibly lose." The latest illustrations of this are that the Reagan administration, while secretly readjusting its policy toward Iran, was at the same time continuing to develop its relations with Iraq in the hope of using the Iran-Iraq war to expand its influences and in the Gulf area to open a new round of contest with the Soviet Union. The U.S. Government has all along supported South Africa's racist authorities. Because of the attack on this policy from both domestic and foreign public opinion, the prestige of the United States in the southern part of Africa has been downgraded and the U.S. government is currently tending to its readjustment. As for the economic difficulties of the Third World countries, the United States seems to have been somewhat lax in the problem of indebtedness but there has been no change in its policy to induce Third World countries to give way more and be included in U.S. spheres of influence. In the new year, the United States will firmly insist on directly dealing blows at and controlling Third World countries and in all probability its conflicts and contradictions with the Thrid World countries will continue to grow.

In 1987, the United States will need to strengthen its consultations with its allies to maintain the Western nations' front. Since the Reagan-Gorbachev talks in Iceland in October last year, the suspicion and skepticism of the West European countries about the "exceed-the-limits" diplomacy of the United States and the Soviet Union have steadily increased. And with the disclosure of the United States' secret sales of weapons to Iran the West European countries' confidence in the United States has been further weakened. In reality, the differences between the West European countries and the United States vis-a-vis their policy toward the Soviet Union and the Third World countries have become greater. Moreover, the economic and technological contest between Japan and the West European countries on the one hand and the United States on the other has intensified. Through pushing its global policy the United States may receive support from its allies but may also be subjective to more restrictions from its allies as well.

Seen from inside the United States, many U.S. economists have estimated that in 1987 the country's economy will grow at a slow rate, similar to that in the preceding year. In 1986, the country's adverse foreign trade balance created a historical record. It is estimated to be nearly $170 billion. In 1987, the exchange rate of the dollar will continue to decline and with the further pushing of trade protectionism, the adverse foreign trade balance may conceivably be somewhat reduced. But one basic problem of the U.S. economy is the regressive state of its manufacturing industries and the poor competitive power of its products and commodities. This state of affairs will be difficult to rectify in the near future. Despite U.S. Government cries to reduce the budget deficit in 1986 the country's financial deficit not only was not reduced but also created a historical record, amounting to over $200 billion. In the new fiscal year, the problem is how much the deficit will be reduced. In the opinion of certain U.S. economists the source of the U.S. economy's problems is the more alarming large increase in the country's debt burden. The national debt of the United States is already in the neighborhood of over $2.1 trillion. Internationally, the United States' debt burden is the largest among the countries of the world. Many U.S. economists have estimated that in the next few years the state of the country's economy will go from bad to worse and that a new economic depression may ensue.

The Reagan administration has entered 1987 under the conditions of frequent setbacks in domestic politics. In the interim election in November last year, the ruling Republican Party lost its majority in the Senate. In the composition of the new Congress the Democrats are holding the majority in both the Senate and the House of Representatives. Closely following this event, the disclosure of U.S. arms sales to Iran aroused an enormous storm across the country. The American people universally believe that Reagan "has fallen into the most serious political crisis since his assumption of power." It is difficult now to forecast how this political storm will eventually end up and what the outcome will be like. This will depend on whether or not there are more important disclosures concerning the case in the new congressional investigation now under way and also on who else, if anyone, is guilty and involved. Much will also depend on what remedial measures Reagan takes after his admission of having made a mistake. In any case, from now on, this political storm will adversely affect the U.S. Government's ruling capability, particularly regarding foreign policy.

Seen as a whole, in the new year, the U.S. Government, in the course of striving for the upper strategic hand, will surely meet with more difficulties, restrictions, and impediments both inside the country and abroad.

LIAOWANG ON AFGHANISTAN, SOVIET TROOP WITHDRAWAL

HK110527 Beijing LIAOWANG in Chinese No 4, 26 Jan 87 p 8

[Article by Yuan Amin (5913 7093 3046): "Does the Soviet Union Really Want To Withdraw Its Troops From Afghanistan?"]

[Text] On 1 January, Mohammad Najibullah, leader of the Kabul regime, declared a unilateral cease-fire, to be implemented from 15 January. This was a "conciliatory" adopted by Najibullah after he visited the Soviet Union last year. Leaders of the Afghan resistance organizations rejected the bid right away, noting that it was a trap and a deception and demanding that the Soviet Union immediately withdraw its troops from Afghanistan. They said that so long as there was a single Soviet soldier in Afghanistan, the guerrilla forces would not cease to resist.

Since the beginning of last year, the Soviet Union has given enormous publicity to a political settlement of the Afghan issue and expressed their support for the UN secretary general's efforts for a political settlement of the issue. In February of last year, at the 27th National Congress of the CPSU, Soviet leader Mikhail Gorbachev indicated that the Soviet Union would withdraw its troops from Afghanistan in the near future. At the end of July, he declared in Vladivostok that before the end of the year the Soviet Union would withdraw some of its troops and immediately afterward, in October, it pulled out 8,000. At the two rounds of indirect talks between Afghan and Pakistani Foreign Affairs Ministers held last year, the Soviet Union changed its previous stand that "deciding through consultation the timetable for a troop withdrawal is a matter between the Soviet Union and Afghanistan and others shall not interfere" and "only when Afghanistan and Pakistan hold direct talks can the timetable for a troop withdrawal be negotiated," and advanced a timetable for withdrawing its troops from Afghanistan within 3 or 4 years. The Kabul regime appealed to the various factions among the Afghan resistance organizations to lay down their arms and indicated that a "government of national reconciliation" would be set up. With these gestures, the Soviet Union and the Kabul regime tried hard to attract the attention of the world community. People cannot refrain from asking: Does the Soviet Union really want to withdraw all its troops from Afghanistan?

With the following moves taken by the Soviet Union and the Kabul authorities, people can only doubt how sincere the Soviet Union is about a troop withdrawal.

1. In declaring a unilateral cease-fire, the Kabul regime did not touch on the key to a political settlement of the Afghan issue, that is, the timetable for a Soviet troop cease-fire and pullout. After the cease-fire was announced, the Kabul authorities declared that only after a "national coalition government" was set up and "foreign intervention" ceased would the Soviet forces be withdrawn.

2. In October of last year, the Soviet Union withdrew six regiments of its forces from Afghanistan, less than 7 percent of its invading forces in the country. Most of the troops withdrawn belonged to the antiaircraft artillery unit and therefore the pullout had an insignificant impact on the Soviet forces' combat effectiveness. In announcing the withdrawal of these troops, the Soviet leaders declared that if other countries continued their support for the Afghan guerrilla forces, the Soviet Union would on no account ignore it. In other words, if the guerrilla forces continued their resistance, the Soviet Army might reinforce its forces at any time.

3. The Soviet Union is still sticking to its stand of "guarantee first and troop withdrawal second." At the 27th CPSU National Congress, Gorbachev stated that if there was a guarantee that outside forces would not employ "armed intervention" against Afghanistan, the Soviet Union would decide, through consultation with the Afghan side, the time limit for a stage-by-stage troop withdrawal. In December of last year, at a reception to welcome Najibullah, he reaffirmed that so long as outside forces continued to "interfere in" Afghanistan's affairs, the Soviet Union would not leave Afghanistan to suffer alone. Relevant officials from the Soviet Ministries of Defense and Foreign Affairs also openly reaffirmed this stand.

4. The Soviet Union and Afghanistan indicated that only when guerrilla leaders agreed to lay down their rifles could they join the "government of national reconciliation." At the same time, the Soviet and Afghan authorities continued to step up their military actions to brutally suppress the Afghan guerrilla forces. In the past year, pursuing a scorched earth policy, the Soviet and Afghan armies have launched repeated large-scale encirclement and suppression attacks against the bases of the Afghan guerrilla forces in an attempt to cut off their connections with the outside world and to wipe out their effective strength.

5. The Soviet Union and Afghanistan are stepping up their efforts to bring pressure to bear on Pakistan. Last year Soviet and Afghan aircraft intruded into Pakistani airspace on 600 or more occasions. In January of this year, after Najibullah announced the cease-fire proposal, Afghanistan repeatedly dispatched its aircraft to raid the peaceful residents on the Pakistani border.

Why did the Soviet and Afghan authorities adopt the "conciliatory" stance? Analysts hold: In the last 7 years since the Soviet Union invaded Afghanistan, it has been in a predicament, has had to bear a heavy economic burden, has failed to defeat the resistance forces militarily, and has found itself in an isolated position in the international community. The 41st UN General Assembly, held last year, adopted a resolution demanding a Soviet troop withdrawal with an overwhelming 122 votes. Other international conferences have also continuously issued statements and adopted resolutions calling for a Soviet troop pullout. Under these circumstances, the Soviet Union wants to maintain its control over Afghanistan on the one hand, and to extricate itself from the predicament on the other, but the Kabul regime is so weak that the Soviet forces fear that the regime may collapse immediately after they withdraw from Afghanistan. Therefore, the Soviet Union is sticking to the following two points as preconditions for a troop withdrawal. One is that the Afghan guerrilla forces must cease to resist occupation by the Soviet forces and the other is that outside "intervention" must come to a halt. It is self-evident that the consistent Soviet stand of "guarantee first and withdrawal second" has not changed. The aim of its "flexible" gestures is to disintegrate the resistance organizations, to sow dissension between Pakistan and the Afghan resistance organizations, to press Pakistan to make concessions at the indirect talks in Geneva, and thus to put an end to its passive situation.

Recently, after visiting Afghanistan, the Soviet foreign affairs minister said that the Soviet Union was ready to work out a timetable for pulling its troops out of Afghanistan. We must judge the Soviet Union by its deeds, not just by its words. The issue of Afghanistan is the outcome of Soviet aggression. What counts in settling the issue politically is that the Soviet Union should unconditionally withdraw all its aggressive troops as fast as possible so that the sovereign, neutral, and nonaligned status of Afghanistan can be restored.

RENMIN RIBAO COMMENTS ON JAPAN'S DEFENSE SPENDING

HK120550 Beijing RENMIN RIBAO in Chinese 11 Feb 87 p 6

[Article by Zhou Bin (0719 2430): "The Key Point Is the 'Break' -- A Brief Discussion on Japan's Defense Spending Limits"]

[Text] On 24 January 1987, the Japanese Government clearly announced the rescission of the stipulation of limiting defense spending to less than 1 percent of the country's GNP. The new limits for the next few years will be fixed according to the "Intermediate-term Scheme for Improving the Defense Strength (1986-1990)." This new policy will be reviewed in 1991 in light of the international situation and Japan's domestic economic condition. For reasons known to all, this event evoked strong reactions inside and outside Japan.

When the Nakasone cabinet made the above decision, the Japanese Government leader and the Japanese authorities concerned repeatedly indicated that this year's defense budget will exceed the 1 percent limit by merely 0.004 percent, and that Japan will continue to abide by the "constitution for peace," carry out "defense-oriented policy," adhere to the "three no-nuclear principles," and will never become a major military power which poses a threat to other countries.

However, such explanations did not dispel the widespread misgivings and concerns among the people. The large numbers of reports and commentaries published by Japanese newspapers and magazines clearly show that apart from the United States, most countries still do not understand Japan's new policy and are upset by it and that the voice of criticism and resentment can be heard everywhere inside Japan.

According to historical experience and present conditions, Japan's defense strength should be for self-defense purposes and be kept at a minimum level, and must not exceed the limits of self-defense or grow out of control. Japan made such a promise and pledge to the whole world after World War II. At present, as compared with other major developed countries in the world, Japan's defense spending still accounts for a small proportion of the country's GNP, but due to Japan's advanced economy, the absolute amount of 1 percent of the GNP is a rather considerable figure. Take this year as an example. It is expected that Japan's GNP may reach $2,400 billion. This means that 1 percent of its GNP is a huge amount of $24 billion. This amount is quite enough for Japan, which has repeatedly claimed to be a "state of peace." How could it be necessary to continue to increase the defense spending?

People may say that the difference between 1 percent and the new percentage is very slight. However, this reflects a substantial change in a certain sense. The change can be summarized in one word -- the "break." Given the first "break," it is unavoidable that the second and the third "breaks" and more "breaks" will follow, and the state of affairs will get out of control.

As we all know, with the widespread demand of many countries in the international community, especially in the Asia-Pacific region, and through the protracted struggle of the Japanese people, the Japanese Cabinet led by Miki laid down the 1 percent limit for defense budgets, and this was then affirmed by following cabinets led by Fukuda, Ohira, and Suzuki. This national policy has long taken root in the hearts of the Japanese people. This can be regarded as a symbol of Japan's promise never to become a major military power again in both words and deeds. However, now this symbol will disappear and will be replaced with some vague and flexible "new limits." [paragraph continues]

The policy review in 1991 in light of the international situation and the domestic economic condition may very possibly lead to the complete rescission of all limits, thus freeing a small number of people who always try to push Japan back to the old road of being a "military power." If this dangerous force succeeds in gaining power, the serious consequences will be self-evident.

According to general analysis, it could not have been an accidental event that the Nakasone cabinet made such a decision that met with widespread opposition in its last year. First, this is a step to fully implement the basic line of "postwar general political settlement" and to make Japan as soon as possible an "international country" that can be on an equal footing with other major powers so as to play "a role commensurate with its economic strength" in international affairs. In the eyes of some people, in order to realize this "ideal," it is necessary to increase the defense spending as much as possible and to expand the defense force in various possible means.

Second, this measure was taken in order to meet the requirements of the United States and to coordinate and strengthen Japan's alliance with the United States. Washington had required Japan to increase its defense spending for many years so as to expand Japan's defense force and share part of the defense responsibility of the United States in the Asia-Pacific region in light of the global strategy of Washington, and it did not want Japan to continue to ride in its "security" car gratis. In recent years, Japan's economic strength has been growing rapidly, while that of the United States has been relatively declining. The United States has suffered huge deficits for many years in its bilateral trade with Japan (the deficit in 1986 reached some $59 billion). In such circumstances, proceeding from its own interests, Japan decided to do a little favor to the United States by accepting Washington's idea to a certain degree, and at the same time gain benefit for itself in doing so.

As the ruling party in Japan holds absolute superiority in both houses of Japan's parliament, and the faction inside the ruling party which stands for more prudent action has not yet formed a checking force in the party, and moreover, the current domestic struggle in Japan is focused on the reform of the tax system which is more directly related to people's personal interests, it is very likely that the Nakasone cabinet's defense policy decision will be passed by the current parliament. However, it is certain that in Japan, the debate on the defense policy will never come to an end, but will continue in various forms. Most countries in the Asia-Pacific region will also pay closer attention to the tendency and development of this debate in Japan.

THAI FOREIGN MINISTER MEETS WITH RONG YIREN

OW111351 Beijing XINHUA in English 1303 GMT 11 Feb 87

[Text] Bangkok, February 11 (XINHUA) -- Thai Foreign Minister Sitthi Sawetsila predicted here today that trade between Thailand and China would make big progress in the coming four to five years.

Sitthi made the remarks when meeting in the foreign office Rong Yiren, vice-chairman of the Standing Committee of the National People's Congress of China and chairman of the board of directors of the China International Trust and Investment Corporation.

He said that Thailand and China maintain a very close political relationship under which economic and trade cooperation between the two countries has further made smooth progress.

Though their export commodities are similar, Sitthi said, no contradiction will rise between Thailand and China as they support each other.

Sitthi said that his country would like to see China invest in the special economic zone to be set up in Thailand's east coast and support Thai businessmen to invest in China.

Rong Yiren said that a major task for both China and Thailand is national construction. It is imperative for China to learn advanced science and technology from other countries. There are many experiences in Thailand's farm produce and feed processing industries which China should learn.

He said that the political relation between China and Thailand is good and the prospect for their cooperation in economy, trade and investment is promising.

Rong Yiren arrived here on February 5. He has met with noted personages in the Thai financial and commercial circles and exhanged views with them on further cooperation in the fields of economy, trade and investment.

LIAOWANG EXAMINES CURRENT SITUATION IN VIETNAM

HK120407 Beijing LIAOWANG in Chinese No 5, 2 Feb 87 29

["Special dispatch from Vietnam" by Ping Ming (1627 2494): "After the Sixth Congress of the Communist Party of Vietnam"]

[Text] Over a month has passed since the end of the Sixth Congress of the Communist Party of Vietnam [CPV]. Information obtained in Bangkok by this reporter shows that the decision made by the CPV on economic readjustment has not yet been fully implemented due to various obstructions. When the Vietnamese Government prepared to suspend some major projects that were under construction and further concentrate its funds on agricultural production, it came across many difficulties and negative factors. Not long ago, an article published in the official Vietnamese newspaper NHAN DAN admitted that economic readjustment is more difficult than economic construction.

As far as Vietnam's foreign policy is concerned, it was recently learned that the Vietnamese authorities will probably hold the "conference of foreign ministers of the three Indochinese countries" soon. It is also learned that Hanoi will probably put forward a "new suggestion" on the settlement of the Cambodian question, but the contents of the new suggestion have not yet been made public. However, since the Sixth CPV Congress, both the official declarations of the Vietnamese authorities and the speeches made by senior officials of the CPV have demonstrated no sign of change in Vietnam's aggressive policy toward Cambodia.

An Asian diplomat who arrived in Bangkok from Hanoi recently told this reporter that the Sixth CPV Congress has given people the impression that the CPV now only stresses the implementation of the economic reforms to gradually overcome the serious economic crisis, but is unwilling to make any substantial change in its foreign policy of aggression against Cambodia and hostility toward neighboring countries. However, the Vietnamese people clearly know about the fundamental source of the economic crisis and have strongly demanded a change in the current situation.

The Asian diplomat also told this reporter about the spectacle of the Vietnamese people celebrating the Sixth CPV Congress by the Huanjian Lake in the center of Hanoi. He said that the Sixth CPV Congress ended and the new leaders of the CPV Central Committee were elected in the afternoon. In the evening, tens of thousands of people gathered by the Huanjian Lake to see the performances given on four or five temporary stages. The young people let off fireworks. The Asian diplomat told me that usually, such a lively spectacle could only be seen on the eve of the Lunar New Year.

The Asian diplomat said that the temporary stages show that all the activities of celebrating the close of the party congress and the election of the new leaders had been previously arranged by the Vietnamese authorities. However, the enthusiasm of the masses was beyond the expectation of the authorities. This shows that the Vietnamese people had been dissatisfied for a long time with both the foreign and domestic policies pursued by the Vietnamese authorities and had demanded a change in their life of poverty. The Asian diplomat also said that the factors bringing about the big personnel reshuffle in Vietnam's top leadership are complicated and include the contradictions and struggles among various factions within the top leadership.

Some economic experts who recently visited Hanoi said that although Hanoi has reshuffled its top leadership and made the decision on the economic reform, it is still not easy to stabilize the Vietnamese people's life. These experts said that the Vietnamese people are now living a poor life. An ordinary Vietnamese worker's monthly salary is only 300-500 dong (according to the official exchange rate, 80 dong equals $1). An ordinary worker can only earn a total of approximately 600-700 dong per month, including his extra income. However, he has to pay 20-30 dong for a bowl of rice-flour noodles with meat soup on the street. There is only a limited amount of food and daily necessities on the market and the prices are very high. In Vietnam, the cheapest woolen sweater costs 2,000 dong, while a nylon overcoat costs 3,000-4,000 dong.

In the years to come, the new Vietnamese leadership will concentrate its efforts on producing more grain, food, daily necessities, and so on. Although these economic goals are not high, they are obviously more practical than the beautiful promises made by the Vietnamese leaders to the Vietnamese people at the end of the 1970's.

In order to resolve the current difficulties in the people's livelihood, the Vietnamese authorities must open up more free markets, allow the staff and workers of the enterprises to raise livestock and poultry in their spare time, and allow them to sell these non-staple products on the market.

According to Westerners living in Hanoi, even if the new economic policies are smoothly implemented and the economic tension is somewhat relaxed, it seems impossible to fundamentally resolve the problem of economic difficulties and economic development. The key to the solution of the problem lies in Vietnam changing its current policy of wantonly engaging in military aggression, especially its policy toward Cambodia; Vietnam withdrawing all its troops from Cambodia, and Vietnam finding a political solution for the Cambodian question; reducing its military expenditure; abolishing its current wartime military structure; creating a constructive environment of stability and unity; changing its international image; and obtaining foreign economic aid. Only by doing things in this way will Vietnam be able to cast away its poverty and invigorate its economy. At present, Vietnam is still adhering to its stand on the Cambodian question, is trying to safeguard the Vietnam-controlled "Indochinese federation," and is continuously insisting on a conditional military withdrawal from Cambodia. As far as this situation is concerned, the new Vietnamese leadership is bound to face a serious situation. People are just waiting to see what choice the new Vietnamese leadership will make in the near future.

USSR, PRC CONGRATULATE AQUINO ON PLEBISCITE

HK111339 Beijing International Service in Tagalog 1130 GMT 11 Feb 87

[Text] Vice President and Foreign Minister of the Philippines Salvador S. Laurel said the government has received congratulatory messages from the People's Republic of China, the Soviet Union, and some world organizations. They congratulated President Aquino on the approval of the new charter in last week's plebiscite.

China said the charter's ratification expresses the trust and support of the whole Filipino nation for the Aquino administration. The Soviet Union said the charter's ratification is an expression of the people's approval of President Aquino's policies and her popularity.

According to the report, U.S. President Ronald Reagan and Japanese Prime Minister Yasuhiro Nakasone sent telegrams to President Aquino congratulating her on the ratification of the new Constitution. Reagan said the U.S. will continue to support Aquino and her government.

LANGE WELCOMES PRC SIGNING OF RAROTONGA TREATY

OW111353 Beijing XINHUA in English 1319 GMT 11 Feb 87

[Text] Wellington, February 11 (XINHUA) -- New Zealand Prime Minister David Lange today warmly welcomed signature by China on protocols 2 and 3 of the South Pacific Nuclear Free Zone Treaty.

In a press statement this afternoon, Lange said: "It is particularly pleasing to see that China had signed the appropriate protocols so promptly. We consider this further evidence of China's consistently positive attitude towards the South Pacific Nuclear Free Zone."

The South Pacific Nuclear Free Zone Treaty was adopted by the South Pacific forum in Rarotonga, the Cook Islands, on August 1985. The treaty has three protocols. The two protocols that China signed requires signatories not to test, use or threaten to use nuclear devices in the South Pacific while the other protocol applies only to countries with possessions in the region.

The South Pacific forum has called on nuclear powers to sign the treaty. The Soviet Union signed the protocols in last December. France and the United States refused signing the treaty so far.

Chinese Ambassador to Fiji Ji Chaozhu signed two of the treaty's three protocols at the Suva headquarters of the South Pacific Bureau for Economic Cooperation Yesterday.

SIHANOUK OPENS JOINT-VENTURE HOTEL IN SICHUAN

OW101358 Beijing XINHUA in English 1329 GMT 10 Feb 87

[Text] Chongqing, February 10 (XINHUA) -- President of Democratic Kampuchea Samdech Norodom Sihanouk and Deputy Governor of Sichuan Province Gu Jinchi cut the ribbon for the inauguration of Chongqing Hotel Co., Ltd. in this southwest China city today.

Sihanouk and his wife, Monique Sihanouk, viewed the shopping center, restaurants, bars and guest rooms of the hotel.

The hotel company is a joint venture between Chongqing City Catering Service Corporation and Hong Kong Soredic Co., Ltd.

Investment in the hotel, the first joint venture of the kind in the city, totalled five million U.S. dollars, equally shared by the two partners.

The hotel now boasts 200 suites and more than 100 guest rooms.

Returns to Beijing

OW120943 Beijing XINHUA in English 0910 GMT 12 Feb 87

[Text] Beijing, February 12 (XINHUA) -- President Samdech Norodom Sihanouk of Democratic Kampuchea and Madame Monique Sihanouk wound up their visit to Sichuan and returned here by special plane this afternoon.

BELGIAN MINISTER SAYS TIES WITH PRC PROMISING

OW110857 Beijing XINHUA in English 0827 GMT 11 Feb 87

[Text] Brussels, February 11 (XINHUA) -- Belgian Foreign Trade Minister Herman de Croo said the future looks bright for trade between China and his country.

Lecturing at the Catholic University of Louvain, he said he hopes that trade between China and Belgium will develop even faster in the future.

"Belgium has reduced its volume of exports to China while imports from China are now increasing. This trend is favourable to the development of trade between the two countries."

Chinese Charge d'Affaires Zhao Liang said he hopes European countries increase their imports from China and thereby promote prolonged and stable mutual cooperation.

About 400 businessmen and members of Belgium-China friendship organizations and Chinese students attended the lecture.

NETHERLANDS MINISTER RECEIVES STUDENTS 11 FEB

OW120134 Beijing XINHUA in English 0101 GMT 12 Feb 87

[Text] The Hague, February 11 (XINHUA) -- Minister of Education and Science Wim Deetman today met with 60 representatives of Chinese tudents and scholars in the Netherlands.

It was the first meeting ever made by a Dutch education minister with Chinese students since the two countries started their first official educational exchange in 1974.

There are now about 180 Chinese students, postgraduate students and scholars now studying or doing research in the country.

Deetman said at the meeting held in the Dutch Ministry of education and Science in Zoetmeer near The Hague that though the Netherlands is a relatively small country, it "can do useful things to contribute to the development of science and technology in China."

Chinese Charge d'Affaires Li Qingping was present at the meeting, which was followed by a reception given by the Dutch Ministry to welcome the Chinese Students.

NEW MALTESE AMBASSADOR PRESENTS CREDENTIALS

OW100728 Beijing XINHUA in English 0650 GMT 10 Feb 87

[Text] Beijing, February 10 (XINHUA) -- New Maltese Ambassador to China Richard Lapira presented credentials to Chinese Vice-President Ulanhu at the Great Hall of the People here today.

Lapira arrived in Beijing February 4.

GABONESE PRESIDENT LEAVES FOR VISIT TO PRC

OW110831 Beijing XINHUA in English 0658 GMT 11 Feb 87

[Text] Libreville, Gabon, February 11 (XINHUA) -- Gabonese President Omar Bongo left today on an official visit to China at the invitation of Chinese President Li Xiannian.

The Gabonese leader is expected to arrive in Beijing on February 16 after stopping on private business in France, the Gabonese press reported.

Gabonese Prime Minister and First Secretary of the Gabonese Democratic Party Leon Mebiame as well as several government ministers will accompany President Bongo to China.

Interviewed on Chad

OW111449 Beijing XINHUA in English 1433 GMT 11 Feb 87

[Text] Libreville, February 10 (XINHUA) -- Gabonese President Omar Bongo said here Tuesday that solving the border conflict between Chad and Libya depneds on the will of the Chadian people.

Bongo, who is also president of the Organization of African Unity's ad hoc committee on the Chad-Libya conflict, made the remarks in an interview with XINHUA before leaving Libreville for an official visit to China.

"For the future, everything must be done by the Chadians themselves, because it concerns Chad," Bongo said.

In 1986, Bongo was awarded a peace prize for his efforts toward the reconciliation of Chad.

Bongo was instrumental in the reconcilement between Chadian President Hissene Habre and Chadian opposition leader Colonel Kamougue.

As for France's presence in Chad, Bongo said it was up to the legal Chadian Government to say who can remain in Chad and who can't.

"If the Chadian Government is independent and sovereign, I think that the presence of the French is justified," he said, noting that Chad and France have a military cooperation agreement.

Bongo was in Libreville for a meeting of his OAU ad hoc committee on the Chad problem. He said the committee is ready to do its duty by convening in Libreville a meeting between Chad and Libya, but the meeting cannot be held as long as the two sides fight in northern and central Chad.

The Gabonese president said that when he returns from China, his committee will hold another meeting, to which leaders from Libya and Chad have already been extended an invitation.

Reaching a solution to the Chadian problem requires time and patience, Bongo said.

Meanwhile, Bongo met earlier today with Facho Balam, foreign affairs minister of the new Transitional Government of National Unity (GUNT), which is backed by Libya.

Following their meeting, Balam told reporters that Chadians must solve their problem without outside interference.

Balam said the Chadian crisis is an internal one that is a combination of problems that are historic, socio-economic, political and contitutional.

As for the legitimacy of President Hissene Habre's government in N'djamena, Balam said that according to the Organization of African Unity's resolution reached at the OAU Nairobi summit, "for us Habre is a party in conflict."

Balam said he didn't believe the reconciliation between Habre and former opposition leader Colonel Kamougue would solve Chad's problem.

Balam came to Libreville to consult with Bongo on GUNT's peace plan.

RENMIN RIBAO VIEWS U.S. MIDEAST POLICY, ISRAEL

HKD90249 Beijing RENMIN RIBAO in Chinese 8 Feb 87 p 6

["Jottings" by Chao Yang (2600 7122): "Desire To See the World Plunged Into Chaos"]

[Text] By concentrating its forces in the Eastern Mediterranean and by threatening to rescue the American hostages in Lebanon by force, the United States has caused great uneasiness among the Mediterranean countries and among people anxious about peace in the Middle East. Precisely at this point, Shamir, head of the Israeli Government, anxiously stepped forward to announce that although he did not think that the United States would ask Israel to participate in U.S. military actions in Lebanon, "Israel will consider doing so should it be invited."

Although Israel knows very well that its boss does not need its services at present, it is unwilling to be left alone. It eagerly volunteers to do something and offers its services to the United States. Obviously, it desires nothing short of worldwide chaos. Its purpose is to introduce chaos and take advantage of the situation.

Of course, Shamir knows very well that Israel cannot go very far without U.S. backing. By being an accessory to the United States' Middle East policy, it can make the United States sink deeper into the Middle East mire. This is the best way to make the United States become its protector and share its fate. However, he should also know that by adding fuel to the flames and by trying to stir up trouble, Israel can only intensify the contradictions in the Middle East and make itself more internationally isolated.

PENG ZHEN SENDS GREETINGS TO ANGOLAN PRESIDENT

MB070735 Luanda Domestic Service in Portuguese 1900 GMT 6 Feb 87

[Message from Peng Zhen, chairman of the PRC National People's Congress Standing Committee, to Angolan President Jose Eduardo dos Santos; date not given]

[Text] It was with great pleasure that I learned of the reelection of your excellency as chairman of the second legislature of the Angolan People's Assembly.

On behalf of the PRC National People's Congress Standing Committee and on my own behalf, I am honored to warmly greet you.

The militant friendship between the peoples of the PRC and Angola dates back many years.

I would like to take this opportunity to reaffirm that the Chinese people will continue to stand together with the Angolan people and firmly support their just struggle against South Africa's aggression and threats, and to safeguard their sovereignty and territorial integrity.

I sincerely wish you success in your noble role and express hope for the continuing strengthening of the friendship between the two peoples and friendly cooperation between the people's assemblies of the two countries.

NUCLEAR INDUSTRY TO FOCUS ON CIVILIAN-USE POWER

OW120306 Beijing XINHUA in English 0240 GMT 12 Feb 87

["China To Focus on Civilian-Use Nuclear Power" -- XINHUA headline]

[Text] Beijing, February 12 (XINHUA) -- The focus of China's nuclear industry will be on developing nuclear electricity for civilian use, according to Jiang Xinxiong, nuclear industry minister.

While continuing with the first-phase project of the Qinshan Nuclear Power Plant in Zhejiang Province, he said, his ministry is making preparations for the second phase work.

Building of the Daya Bay Nuclear Power Plant in Guangdong Province, one of China's largest joint ventures, will officially start this year.

Small nuclear power plants will be developed and a production line for nuclear power plant components will go into production in the second half of this year, the official said.

TAIWAN DEFECTOR ELECTED TO KMT CENTRAL COMMITTEE

OW120840 Beijing XINHUA in English 0815 GMT 12 Feb 87

[Text] Beijing, February 12 (XINHUA) -- Wang Xijue, a former Taiwan pilot who flew to the mainland in May last year, was elected as one of the 39 members of the Sixth Central Committee of the Revolutionary Committee of the Chinese Kuomintang yesterday.

The national conference of the KMT Revolutionary Committee closed yesterday.

The 57-year-old Wang is deputy director and deputy chief pilot of the Beijing Regional Administration of the Civil Aviation Administration of China. He joined the Revolutionary Committee of the Chinese Kuomintang in October last year.

Wang landed a Boeing 747 cargo plane belonging to Taiwan's China Airlines at Guangzhou May 3 last year.

KMT NATIONAL CONFERENCE CLOSES 11 FEBRUARY

OW111830 Beijing XINHUA in English GMT 11 Feb 87

[Text] Beijing, February 11 (XINHUA) -- The National Conference of the Revolutionary Committee of the Chinese Kuomintang (KMT) called on its members to work for "one country, two systems" in realizing China's peaceful reunification.

Speaking at the national conference, which closed here today, Qian Changzhao, vice-chairman of the Central Committee, said: "The members' task is to proceed from the mainland and keep Taiwan, Hong Kong, Macao and Overseas Chinese in perspective in carrying out activities to promote friendship."

Members were asked to serve China's present reform, open policy, material progress and advanced socialist ideology and culture. They were also asked to help perfect socialist democracy and the country's legal system and promote multi-party cooperation under the leadership of the Chinese Communist Party.

More than 400 delegates expressed best wishes to old friends, colleagues and classmates in Taiwan and abroad and asked them to help promote a third round of Communist Party-Kuomintang cooperation and the realization of the country's reunification.

The conference selected 39 new members to the Sixth Central Committee and 33 alternate members. A 106-member Central Inspection Commission was set up.

MING PAO ANALYZES HU YAOBANG'S MISTAKES

HK120856 Hong Kong MING PAO in Chinese 31 Jan 87 p 2

["Special article" by Lu Tzu-Chien [4151 1311 0256]: "Five Mistakes by Hu Yaobang"]

[Text] According to informed sources, what really determined Hu Yaobang's destiny was not the enlarged meeting of the Political Bureau of the CPC Central Committee held on 16 January but the "central meeting" before it.

It is said that more than 20 people spoke at this "central meeting," criticizing various mistakes committed by Hu Yaobang. The decision to hold the enlarged meeting of the Political Bureau was made by the Standing Committee members of the bureau. Other Standing Committee members besides Hu Yaobang are Deng Xiaoping, Zhao Ziyang, Li Xiannian, and Chen Yun. According to informed sources: A document of the CPC listed five major mistakes by Hu Yaobang, which are different in some way from those of other reports. The first one is that Hu Yaobang passively resisted the campaign to eradicate spiritual pollution and to opposite bourgeois liberalization.

It is said that the campaign to eradicate spiritual pollution was personally put forward by Deng Xiaoping in October 1983 but it was not supported by Hu Yaobang. The campaign disappeared very quickly early in 1984. In the latter half of 1984, Deng criticized Hu for this.

Hu's second mistake was that he did not make enough effort to lead party rectification. Party rectification started as early as 1983, but no great progress has been made to date. The rectification was originally directed at ideological and organizational consolidation, but Hu stressed correcting professional ideas and avoided major problems. According to informed sources: Bo Yibo had already expressed his dissatisfaction with this when he was summing up experiences in the party rectification campaign last year.

Hu's other mistakes included "advocating high consumption," "interfering in judicial independence and advocating rule by men," and "imprudence in handling foreign relations which caused confusion." It is reported that specific examples of Hu's various mistakes are given in the document but no example is given for his mistake in foreign relations. This differs from reports from Japan, but conforms to past consistent practices of the CPC. In criticizing leaders who have lost power and influence, the CPC usually avoids specific descriptions of their mistakes in foreign affairs because such a description may produce an undesirable effect on foreign relations.

According to reports, Hu's resignation has caused changes in personnel affairs and ideological unrest. It has also caused a dissatisfaction inside the party. This feeling is not because of the decision to "accept" Hu Yaobang's resignation, but is related to the treatment of the image of a leader.

According to these views inside the party, if Hu actually made so many mistakes in the past, why were they not made known to other party members? These views also criticized the party's mass media in handling propaganda work. Some of Hu's "erroneous slogans," such as "advocating high consumption," were in fact once publicized by the party's mass media.

According to informed sources: CPC members today are different from those during the "Cultural Revolution." Outwardly, of course, they will not oppose the decision to "accept" Hu Yaobang's resignation. However, as a matter of fact, many of them will make an independent judgment on Hu's fall from power.

CHING PAO ON ZHAO ROLE IN RECENT CRISIS

HK120209 Hong Kong CHING PAO in Chinese No 2, 10 Feb 87 pp 26-29

[Article by Chuang Ming (8369 2494): "Zhao Ziyang Receives Instructions in Time of Danger To Save a Desperate Situation" -- capitalized passages published in boldface]

[Text] Since the "5 April" Movement emerged 10 years ago, Deng Xiaoping has experienced student unrest several times. But the recent widespread one caused him to dismiss Hu Yaobang from the post of the CPC Central Committee general secretary. This shows that such student unrest, which has not been seen in the 37 years since the CPC came to power, is out of the ordinary. It is therefore worth looking into the cause of the incident and its immediate and far-reaching effects on China's political and cultural mechanism.

The Recent Student Unrest Is Different From Those Before [subhead]

The recent student unrest was different from those since the "5 April" Movement.

Compared with the "18 September" student unrest in 1985, the recent one was different in its concrete ideological content. The "18 September" student unrest was incited under the slogan "Nakasone Must Apologize to the Chinese People" and demonstrators censured only the economic reform measures taken by the government such as use of foreign management experience, opening to the outside world, obtaining loans from other countries, exploitation of natural resources, and skyrocketing prices. This resulted from the fact that the CPC gave enormous publicity to patriotism in the press, especially during the 40th anniversary of the victory in the War of Resistance Against Japan, from the visit of Nakasone to the Yasukuni Shrine, and the corruption of cadres. This was quite to the liking of the CPC cadres who had fallen out of power in the course of reform, and they gloated over the incident.

However, this time those cadres who had been driven out of office and were often foul-mouthed, were hesitant before the students, giving no support to them and making no attempt to make a political fortune. This was because the students chanted the slogans "Support Reform," "Support the Four Cardinal Principles," "Stand by Deng Xiaoping," and "How Are You, Deng Xiaoping?" [paragraph continues]

Although BEIJING RIBAO, the organ of the Beijing Municipal CPC Committee, deliberately alleged that the slogans shouted by the students were not from the bottoms of their hearts, yet there was a common theme in the slogans. The demonstrations spread like a storm throughout the country -- demanding political reform and democratic participation. The students in Beijing did not mention the issue of economic reform at all. This is why some top CPC officials rebuked the students and said: "These students are very bad. What haven't they pushed forward on the issue of price hikes?"

The recent student unrest was also different from the "5 April" Movement. Participants in that movement strongly demanded replacing corrupt officials with honest and upright officials and wished that the political group represented by Deng Xiaoping would take the place of late Zhou Enlai and replace the "gang of four" supported by Mao Zedong. That movement had many limitations in the political sphere.

Compared with the election contest movement in colleges and universities in 1980 following the democratic will movement, the recent student unrest also differed. The 1980 election contest movement occurred when the CPC had already carried out reform to a certain extent, when the Deng-Hu-Zhao structure had been formed, when the CPC was drafting the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC," and when the reform line was about to be affirmed. Prior to this, whether to carry out readjustment or reform in China was argued heatedly. The students resolutely stood for reform and the political program set forth by them at that time was virtually acknowledged and later realized. Most of those who took part in the election contest were university graduates in 1977 and 1978, and the majority of them had experienced the Red Guard movement, and then were sent to work in the countryside and mountain areas. The suggestions they advanced were carefully considered because they integrated what they had experienced in the political field and in society with theoretical analysis. The election contest movement was mainly initiated by the students in Beijing and then spread to a few provinces. However, the recent student unrest first rolled with full force in the cities of many provinces and finally erupted in Beijing, with students of Beijing University marching toward Tiananmen Square and shouting their political propositions. The average age of students participating in the recent unrest was lower but their enthusiasm for political participation was higher than before. Their demand for democracy and freedom was made on the basis of carrying out reform to meet the needs of economic development and seeking fair-minded public opinion on political policy-making. In fact they demanded a more radical political reform, which Deng Xiaoping hoped would only achieve better economic results and improve administrative management. The recent student unrest has made China's political development become more complex and obstructed the progress of reform. This was not expected by the leadership of the party.

Channels for Democratic Participation Are Not Perfect [subhead]

Looking into the cause of the recent student unrest, of course we could not exclude the problem of backwardness in China as pointed out by overseas public opinion. However, this writer believes that there are other reasons as well.

China's economic reform has improved the peasants' living standards and raised the position of intellectuals. As a result, 20 million individual households have emerged. For the first time, this year's output value of town-run enterprises exceeded that of agricultural production, making up 25 percent of the state revenue and creating 60-70 million jobs. [paragraph continues]

The direct result of the ongoing separation of ownership from the power of operation and separation of government from enterprise functions in large and medium state-run enterprises has given rise to the formation of an entrepreneur stratum, which is different from that of both bureaucrats and workers. The reform has been diversifying China's social interests and dividing the strata of interests. This has become a trend which cannot be reversed. The gap in the distribution of interests has stirred up the social tension and the people are boiling with resentment. It must be noted that such tension and resentment constitute more hidden dangers than traditional society. Under such circumstances, a single incident might induce a sudden change. The recent incident occurred among the students because they lived together and had more opportunity to exchange views, but there are also some latent factors among workers.

The aforementioned changes arising from economic reform are proposing corresponding changes in China's political mechanism. However, the political reform designed by Deng Xiaoping only aims at making the political structure serve as a means of stimulating economic development, stresses change of the leadership system and organizations, but neglects coordinating the interests of different social strata. The students found it difficult to coordinate the interests of different social strata only by means of submitting reports to the higher level, lodging complaints through the media, and appealing to representatives of people's congresses at different levels. At the same time, they were very discontented at the corruption of some officials. Students in Hefei said: "We can only air our views through big-character posters," and students of Beijing University pointed out: "Only by going to Tiananmen Square can we do what we have to do." This fully demonstrates that the channels for expressing opinion on public affairs and for democratic participation in Mainland China are not satisfactory.

Last summer Deng Xiaoping himself buckled on his armor and went into battle, calling for carrying out political reform and calling on people of different social strata to discuss the problem and air their views. Through the media and theoretical circles, his views were conveyed to the students and inspired their enthusiasm for participating in political affairs. Some people therefore said that the recent student unrest was caused by a series of speeches made by Deng Xiaoping on political reform.

The Dispute on Major Issues Is of Long-Standing [subhead]

The most direct consequences of the recent student unrest are that the dispute on major issues among top CPC officials has become apparent. For example, the 10 suggestions put forward by students in Kunming in reality suggest that Deng Xiaoping should resign and the 10 suggestions submitted by students in Shanghai conveys the suggestion that the war with Vietnam be ended. Each of the suggestions might given rise to a bitter dispute within the party.

At 1000 of 30 December of last year, Deng Xiaoping instructed Hu Yaobang, Zhao Ziyang, Hu Qili, Wan Li, Li Peng and He Dongchang to deal with the student unrest. This means that he establishes the principles and lets other people act accordingly. However, 3 days later, Hu Yaobang fell out of power at an enlarged meeting of the Political Bureau. This obviously shows that in dealing with the demonstrations staged by Beijing students on 1 and 2 January, the dispute among top officials became more acute. As regards student demonstrations at Tiananmen Square, it has been learned that Deng Xiaoping instructed: "There is no need to think too much. Any student going to Tiananmen Square should be arrested." However, Hu Yaobang did not act accordingly.

In fact, the dispute on major issues among top CPC officials is of long-standing. For example, when they discussed whether Wei Jingsheng should be arrested and sentenced to death in those years, there was a wide divergence of opinion on the issue, and Hu did not agree to his arrest. Finally Peng Zhen said: "I have never reconciled differences regardless of principles, but this time I would like to gloss over differences. I suggest Wei be sentenced to 15 years' imprisonment."

The year 1979, when Hu worked as head of the Central Propaganda Department, was the best time for China's press circles. In those days, people's minds greatly emancipated. RENMIN RIBAO and GUANGMING RIBAO started a special column to encourage the people to emancipate their minds and air their views in a bid to guide the development of the whole society through emancipation of people's minds. Some people therefore said: "Bourgeois liberalization has overflowed in the party for a long time only because there are breeding grounds provided by certain people."

After taking up the post of general secretary, Hu put forward 23 proposals for political reform at the National Congress of Workers in 1983, but the proposals were immediately rejected. A short time later he also stood up firmly against the "elimination of spiritual pollution." In his report on government work, Zhao Ziyang also replaced the word "elimination" by "resistance and criticism." In an interview with Japanese newsmen before his visit to Japan, Hu made a humorous remark: "Nuclear explosion is the most dangerous pollution."

When the "elimination is the most spiritual pollution" drive was over, Zhao Ziyang put forth a proposal for a science and technology revolution. Hu immediately called on the whole party to support it and seized the opportunity to call for a change in concepts. He said: "Comrades should think over whether bourgeois liberalization is more harmful than feudalism or vice versa." It is obvious that Hu believes China should oppose feudalism at the present stage.

At first Hu was assigned the responsibility for personnel arrangements at the "13th party congress" and Zhao was in charge of drafting plans for political reform. Prior to the convening of the 6th Plenary Session of the 12th CPC Central Committee last year, when discussing abolishment of the system of life tenure in leading posts with Deng, Hu suggested both Deng and he step down from their posts so as to set an example for others. His suggestion offended founding members of the Republic and he himself was even severly criticized by Deng at the 6th Plenary Session of the 12th CPC Central Committee.

In his speech on 30 December, Deng affirmed the "elimination of spiritual pollution" in 1984, instructing that his speeches about elimination of spiritual pollution should be included in his selected works, and that if the student unrest spreads wider, martial law as in Poland must be enforced. During the 1979 democratic wall movement, Deng only ordered the arrest of Wei Jingsheng and Wang Xizhe. However, this time he not only criticized Fang Lizhi, Liu Binyan, and Wang Ruowang by name, he also resolutely drove Hu out of office in an effort to control the party and stabilize the regime. The Political Bureau's enlarged meeting specifically invited 17 members of the Central Advisory Commission to participate. Some people said that this just offered a chance to those veteran party members to vent their anger through criticism.

Zhao Ziyang Makes Policy Decisions on Five Major Issues [subhead]

FOLLOWING DENG'S SPPECH ON 30 DECEMBER, ZHAO ZIYANG MADE POLICY DECISIONS ON THE FOLLOWING MAJOR ISSUES: 1) MAKE EVERY EFFORT TO AVOID ANY POSSIBLE DISTURBANCE, RELIEVE FANG LIZHI OF HIS POST AS VICE PRESIDENT OF CHINA SCIENCE AND TECHNOLOGY UNIVERSITY, AND DISPATCH TENG TENG AND PENG PEIYUN TO REORGANIZE THE UNIVERSITY; 2) THE STATE COMMISSION FOR RESTRUCTURING THE ECONOMIC SYSTEM WILL PUT FORWARD 10 PROPOSALS FOR PROMOTING ECONOMIC DEVELOPMENT IN 1987, WITH THE MAIN CONTENT OF INVIGORATING LARGE AND MEDIUM STATE-RUN ENTERPRISES TO ACHIEVE BETTER ECONOMIC RESULTS; 3) CONTINUE TO CARRY ON THE SCIENCE AND TECHNOLOGY REVOLUTION; 4) THE CENTRAL ORGANIZATION DEPARTMENT WILL MAKE PUBLIC THE SYSTEM OF DEMOTING CADRES, ANOTHER BREAKTHROUGH FOLLOWING ABOLISHMENT OF THE SYSTEM OF LIFE TENURE LEADING POSTS; 5) TIGHT CONTROL OVER MARKETS TO KEEP PRICES STABLE. Some of the above decisions could have been transmitted to lower levels through restricted circulars, but Zhao insisted that they should be made public in the press. It seemed he issued a military order. His courageous resolve shows that he is quite clear about what should be done and what will be done.

However, Zhao will not take command over the forthcoming drive for purifying and straightening out the press, publishing, theoretical and cultural circles, but has assigned this task to Deng Liqun, an authoritative person in the theoretical circles.

THE PEOPLE OF THE COUNTRY HAVE FELT RELIEVED THAT ZHAO ZIYANG IS WORKING AS BOTH PARTY GENERAL SECRETARY AND PRIME MINISTER CONCURRENTLY, BECAUSE HE STANDS FIRMLY FOR REFORM AND HAS PERFORMED DEEDS OF VALOUR IN CHINA'S ECONOMIC REFORM. THIS IS QUITE OBVIOUS TO EVERYBODY. THE ORIGINAL PLANS FOR ECONOMIC REFORM ONLY AIMED AT PATCHING UP THE PLANNED ECONOMY, IMPORTING SOME CONCEPTS AND TECHNOLOGIES, BUT REJECTING THEORY AND METHODS. HOWEVER, WHEN SOME PROBLEMS EMERGED IN PRACTICE, ZHAO'S BRAIN-TRUSTERS PUT FORTH THE FOLLOWING PLAN: CARRY OUT ECONOMIC REFORM IN AN ALL-ROUND WAY, INCLUDE SEPARATION OF OWNERSHIP FROM THE POWER OF OPERATION, EMPLOY MARKET MECHANISM, AND PERMIT THE OVERALL INTRODUCTION OF WESTERN POLITICAL ECONOMICS INTO CHINA. ZHAO RESOLUTELY ADOPTED THEIR PLAN. WHEN THE "ELIMINATION OF SPIRITUAL POLLUTION" INVOLVED THE ECONOMIC SPHERE, ZHAO LAUNCHED A RESOLUTE COUNTERATTACK, POINTING OUT THE THEORY OF ECONOMICS HAS NOTHING TO DO WITH SPIRITUAL POLLUTION AND BOURGEOIS LIBERALIZATION.

It Is Definite That Controls Will Be Tightened Over the Ideological and Theoretical Spheres [subhead]

Prior to the "13th party congress," Deng has resolved to clear all accounts of bourgeois liberalization accumulated since the four cardinal principles were set forth in 1979. Since Deng Liqun will again take the responsibility, it is definite that controls will be tightened over the ideological and theoretical spheres, even to a degree before carrying out reform and opening to the outside world. Exerting pressure on intellectuals and making the bigwigs live in constant fear are probably not good tactics for helping the authorities keep society stable.

Can the struggle against bourgeois liberalization really strengthen political stability and unity and arouse the enthusiasm of intellectuals, workers, and peasants for reform? This should be proved by practice. However, gaining ground of the "leftist" forces is certainly not a good thing.

Xu Weicheng Wins "National Security Award" [subhead]

It is presumed that the wrangle over personnel arrangements will become very acute before the 13th party congress. It is said that Minister Wang Meng will be promoted to state councillor because he discovered bad persons in the cultural circles. Meanwhile, Xu Weicheng, deputy secretary of the Beijing Municipal CPC Committee, was praised by certain bigshots because BEIJING RIBAO, which he is in charge of, was burned by students of Beijing University and was given the "National Security Award." It is said that Yu Xingyan (pen name of Xu Weichang) was a renowned member of the organization "Hongguangsi" [3163 1639 1835 -- pool the wisdom of the masses] during the Cultural Revolution offered to take charge of RENMIN RIBAO himself.

Another effect of the recent student unrest is that plans for political reform will be postponed and the leadership of the party will keep a firm grip on the matter. To meet the needs of the situation, Deng Xiaoping must buckle on his armor and go into battle again.

LIAOWANG ON ECONOMIC, POLITICAL TASKS FOR 1987

HK111027 Beijing LIAOWANG in Chinese No 5, 2 Feb 87 p 1

[LIAOWANG commentator's article: "Do a Good Job in Two Things of Great Importance"]

[Text] As 1987 is the second year of our country's Seventh 5-Year Plan, we should do two things well: First, in the economic field we must increase production and practice economy, increase revenue and reduce expenditure, promote the spirit of working hard under difficult conditions and building up the country through thrift and hard work, and ensure that the national economy develops in a sustained, steady, and coordinate manner. Second, in the field of political ideology, we must take a clear-cut stand in opposing bourgeois liberalization, uphold the four cardinal principles, and straighten out the political direction.

Why should we increase production and practice economy and increase revenue and reduce expenditure? This is proposed after summing up the experiences of making great achievements in the national economy of our country in 1986 and in the light of the current problems existing in the progress of the economic work. 1) Over the last few years, the idea of working hard under difficult conditions and building up the country through thrift and hard work has become blunted, and going in for ostentation, extravagance, and waste has become a trend in every locality. 2) As we have already built up a considerable economic base during the period of over 30 years since the founding of the country, it is extremely necessary for us to improve the social and economic effectiveness. 3) Many areas, regions, and units should exert more effort in making rational use of their manpower, material, and financial resources in order to make every cent count and do things well in making more contributions to the state from the viewpoint of general interests. 4) As financial discipline is not strictly enforced, there are "all kinds of tax evasions." Therefore, vigorously promoting the practice of increasing production and practicing economy and increasing revenue and reducing expenditure and resolutely rectifying the "spendthrift" style of going in for extravagance and spending without restraint will not only broaden sources of income and reduce expenditure in the economic and financial work, but will also give impetus to the cultivation of a good social atmosphere, the building of socialist spiritual civilization, and the improvement of party style.

In 1986, the national economy of our country developed in a sustained and steady way and scored remarkable achievements. As industrial production entered the orbit of normal development, the growth rate of total output value became higher than the average annual growth rate required by the Seventh 5-Year Plan. Due to the steady development of all agricultural production, grain output increased by over 20 billion jin over the previous year. As the markets were brisk and flourishing, the living standards of the people living in both urban and rural areas all increased in varying degrees. On the basis established over the last few years, the economic structural reform made new steps and progress. All this is the result of the central authorities adopting measures to continue to strengthen and improve macroeconomic control and enforce the reform principle of "consolidation, digestion, supplementation, and improvement."

Nevertheless, at the same time we must also clearly see the new problems confronting us on the road to progress. In the final analysis, these programs are: The scale of investment is still too great; the demand for the development rate is too high; and in many areas and departments full-scale reconstruction is under way and numerous things are being done simultaneously. In the light of this situation, in 1987, while actively and steadily continuing the construction, we must, through increasing production and practicing economy and increasing revenue and expenditure structure, reduce the "overheated" atmosphere, cut down the scale of unbudgeted investment, and reduce the excessive nonproductive spending to make it compatible with the national strength of our country. In 1987, efforts should be made to deepen the economic reform, strengthen the reserve potential of agricultural development, and develop commodity production in rural areas in an all-round way on the basis of ensuring that grain output rises by a big margin. It is necessary to invigorate enterprises, in particular the large and medium-sized enterprises, and to lay stress on regulating the initiative of enterprises and the vast numbers of producers and managers through the internal enterprise reform so as to tap the production potential and increase the economic effectiveness in an all-round way.

Opposing bourgeois liberalization is a struggle affecting the direction and road of the socialist modernization construction in our country, as well as the future and fate of our party and country. By advocating bourgeois liberalization, a very small number of people opposed the four cardinal principles, drove a wedge between the intellectuals and the party, incited students to make trouble, and upset the situation of stability and unity, thus resulting in serious consequences and bad influences. Upholding the four cardinal principles is a fundamental guarantee for the four modernizations construction in our country; and the political situation of stability and unity is an indispensable precondition for the four modernizations construction in our country. To expedite the smooth development of the four modernizations construction and ensure the fulfillment of the tasks of this year and the Seventh 5-Year Plan, we must oppose bourgeois liberalization. In opposing bourgeois liberalization, we must pay special attention to policies and should not engage in political movements and repeat the previous wrong practices or "leftism." We must lay the stress of the work on uniting and educating the majority to improve their political consciousness and ability to distinguish right from wrong. As for those people who followed others to make some wrong remarks, it is all right as long as they can understand and correct the mistakes.

Recently, Comrade Zhao Ziyang pointed out that the two basic points of the line of the 3d Plenary Session of the 11th CPC Central Committee are: First, upholding the four cardinal principles; and second, the policy of reform, opening up to the outside world, and invigorating the domestic economy. [paragraph continues]

To build socialism with Chinese characteristics, we have to rely on these two points. These two points are unified and inseparable. Upholding the four cardinal principles is a fundamental guarantee for the reform, opening up to the outside world, and invigorating the domestic economy. If the policy of reform, opening up to the outside world, and invigorating the domestic economy is not enforced, building socialism with Chinese characteristics is out of the question.

Therefore, opposing bourgeois liberalization and upholding the four cardinal principles is precisely for the purpose of correctly implementing the line, principles, and policies of the 3d Plenary Session of the 11th CPC Central Committee. It can only promote, but will not affect, the implementation of the policy of reform, opening up to the outside world, and invigorating the domestic economy, as well as all the current policies for the urban and rural areas in our country, including the policies for intellectuals.

In 1987, the tasks confronting the people of the whole country are enormous. Reviewing the past and looking forward to the future, we should continue to uphold the four cardinal principles and the socialist road, quietly immerse ourselves in hard work, and do it well to score better achievements to meet the convening of the 13th party congress.

WORK GUIDELINES FOR SPECIAL ECONOMIC ZONES

OW120413 Beijing XINHUA Domestic Service in Chinese 1656 GMT 10 Feb 87

[By RENMIN RIBAO reporter Ji Honggeng and XINHUA reporter Xu Yaoshong]

[Text] Shenzhen, 10 Feb (XINHUA) -- The conference on special economic zones, [SEZs] which closed today stressed that the central tasks of SEZs in 1987 are: To continue to carry out the policy of ensuring production, raising quality standards, and improving efficiency; to further carry out reforms; to improve management; to strive for new development while making efforts to consolidate, substantiate, and improve what has already been achieved; and to further enhance our ability to absorb foreign capital and improve the competitiveness of our products in foreign markets. The meeting urged SEZ cadres to work hard to open up a new horizon in their work and to further improve the work in the zones.

The SEZ conference opened in Xhenzhen on 6 February and lasted 5 days. The conference was presided over by State Councilor Gu Mu and attended by responsible persons of the Zhenzhen, Zhuhai, Shantou, and Xiamen SEZ, as well as responsible persons of Guangdong and Fujian Provinces, departments of the State Council, and the Hainan Administrative District.

The conference reviewed the SEZ work in 1986. Participants of the meeting unanimously agreed that in 1986, the four SEZs seriously carried out the established policies and regulations of the CPC Central Committee and State Council; scaled down capital construction projects; readjusted their production structure; made progress in promoting production, raising quality standards, and improving efficiency; and made a concrete step forward in establishing an export-oriented economy centering on industry and the integration of industry and foreign trade. According to initial statistics, the total industrial and agricultural output value and the total industrial output value of the four SEZ amounted to 7.6 billion yuan and 6.8 billion yuan respectively in 1986, and nearly $1 billion was earned in foreign exchange in the same year, over 20 percent above the respective figures of the previous year.

Participants of the conference discussed in-depth ways to carry out SEZ work in 1987.

The meeting held that reform is the internal force for driving forward. Whether these zones will be full of vitality and how special they will be depend largely on their reforms. As such, the meeting called on SEZ to carry out reform vigorously and work hard to explore new ways to establish and export-oriented economy in the zones, to invigorate enterprises in the zones, and to improve the zones' market system and administrative management so that they can set a good example for the country. The meeting called on the zones to seriously study the establishment of necessary administrative management organs and reasonable division of work among them. It stressed that they should establish an administrative management system according to the principle of small size, simplicity, and high efficiency. In addition, they should carry out to the letter applicable regulations of the State Council on encouraging foreign investment; provide high efficiency and high quality service to foreign-invested enterprises, work to improve a SEZ legal system; and take the lead in creating a good atmosphere to absorb foreign capital.

The meeting maintained that the management, production efficiency, and economic results of SEZ enterprises are important factors that affect the future of these zones. As an increasing number of enterprises are established and not put into operation in these zones, promotion of scientific management will become an urgent task. The meeting called on all enterprises to pay attention to improving their management system and regulations, quality monitoring and inspection, financial auditing work, cost reduction, and accelerating capital turnover; promote a civilized attitude in carrying out production work; and strive to achieve the best economic results possible with the least input. It said that to achieve this, we must make extensive efforts to train specialized personnel and raise the cultural level of cadres and staff members and workers. In carrying out production, construction, and other work, SEZ should make every effort to increase output and revenue: cut down expenses: lay a good foundation for the zones' future development; and practice austerity. They must not practice ostentation and extravangance or engage in excessive spending.

The meeting urged SEZs to further promote work in importing foreign goods, capital, and technology, and in establishing lateral economic ties at home; to develop an export-oriented economy; and to greatly enhance the ability to earn foreign exchange. It stressed that SEZs should aim at international markets; concentrate their efforts on producing high quality, small, light, and new products; give special assistance to backbone enterprises making products for export, and work to make famous brand-name products that will be welcomed by consumers in the years ahead. They should also work to enable more products to enter international markets by expanding processing work to the interior of the country; producing famous brand-name products of various localities in SEZ for export; cooperating with science and technology units in other localities to develop new products; and setting up cooperation in specialized production work with other localities. Agriculture in SEZs should concentrate efforts on developing high grade and high quality produce and work to improve processing, storage, and shipping technology in order to ensure ample supply for export.

The meeting urged SEZs to continue to put capital construction projects under strict control. It stressed that in carrying out infrastructure construction, efforts should be concentrated on completing those projects in developed areas and that no new area should be developed. Construction of export-oriented production projects, projects that will yield quick economic results, and projects that will play a key role in boosting SEZ economies should be given priority. Construction of luxury hotels, highrise office buildings, and other projects not for production purposes should not be arranged in the near future.

The meeting emphatically pointed out: The SEZ, which stand on the forefront of opening to the outside world, must uphold the four cardinal principles, oppose bourgeois liberalization, and make vigorous efforts to promote socialist spiritual civilization. SEZ cadres must have an extraordinary strong party spirit, extraordinarily tight discipline, extraordinarily good work style, and extraordinarily high work efficiency, and they must work hard to improve SEZ work and advance socialist modernization.

JIEFANGJUN BAO ON DUTIES OF PARTY MEMBER WRITERS

HK110827 Beijing JIEFANGJUN BAO in Chinese 4 Feb 87 p 3

[Article by Zang Sihuai (5258 1835 2037): "Role and Responsibility of Party Member Writers"]

[Text] How should a writer who is also a party member or a party member who is also a writer treat his relations with the party, and how should he treat his social duties? The answer to this question is, in fact, plain to everybody. A writer with party membership should first be a good party member and realize that he is a member of the party organization, so he must bring his thought and opinion into line with the party's program and Constitution at any time and in any place. In recent years, it seemed that some confusion appeared in the words and deeds of some party member writers. A very small number of communist writers, such as Wang Ruowang and Liu Bingyan even disregarded party discipline and the party's principles and openly opposed the four cardinal principles by flaunting the banner of "upholding the truth." The advocated bourgeois liberalization, tired hard to vilify the party, and attempted to abolish the party's leadership. This completely violated the party spirit principle and went against party discipline. Such people should absolutely be expelled from the party. Otherwise, our party will become a sheer club or a sheet of loose sand.

Opening up and reform is a great and arduous cause. There are many policies for our concrete work in various aspects. A party member, no matter what trade he is engaged in, must be dedicated heart and soul to the party's cause. When considering things, writing articles, and giving speeches, a party member writer should first give consideration to the overall interests and understand the difficulties of the party and the state. He should not place himself outside the party or above the party; still less should he stand opposite the party to find fault with or even attack the party by exaggerating the problems and distorting the facts. It is quite absurd for him to pretend to be the only person in the world who is concerned with the country and the people and to assume the posture of savior. A writer should certainly have great political enthusiasm and a high degree of political sensibility. He should also, proceeding from the party's stand, actively make proposals for overcoming some shortcomings in our party and state organs and resolving various problems unavoidable in the course of reform. However, this is a completely different attitude from the irresponsible attitude of placing oneself outside the party, above the party, or even opposite the party.

In the 1930's, through deep thought over a long time, Lu Xun accepted the communist world outlook. When the Chinese revolution was at a low ebb, he resolutely sided with our party until his last breath. During the 10-year domestic chaos, there was a belief crisis among some people, but Mao Dun asked for the restoral of his party membership on his deathbed. Lu Xun and Mao Dun were both great writers in China. They experienced many twists and turns throughout their lives, but they still placed their hope in our party. [paragraph continues]

This fully proves that our party has a great rallying and appealing force. Through the 3d Plenary Session of the 11th CPC Central Committee, our party summed up both positive and negative historical experience and established a whole set of lines, principles, and policies which are now still being continuously developed and improved. The achievements made by the party since the Third Plenary Session are acknowledged by the whole world. This proves that our party is completely trustworthy. Our party's correct leadership is beyond question. Therefore, a party member writer should certainly choose the position of firmly believing in the party, siding with the party, and making contributions to the socialist cause and the building of spiritual civilization.

CHEN MUHUA URGES BANKS TO CONTROL SPENDING

OW120627 Beijing XINHUA Domestic Service in Chinese 1413 GMT 9 Feb 87

[By reporters Ding Jianming and Heng Zhicheng]

[Text] Nanning, 9 Feb (XINHUA) -- "Financial departments should also cut down on excessive spending." This was pointed out by Chen Muhua, state councillor and president of the People's Bank of China, at a meeting of bank branch presidents from across the country, which opened here today.

Chen Muhua pointed out: Economically, the country should keep excessive demand under control and cut down on excessive spending. Our financial departments should control excessive demand for funds in order to support the sustained and steady development of the economy. First, we should vigorously coordinate with related departments to launch a campaign to increase production and practice economy and to increase revenue and retrench expenditure. We should create funds through reform and invigorating the economy; by strengthening management and improving economic results: by taking an inventory of warehouses and overstocked materials; and by checking on misappropriated funds and recovering due or overdue loans. This will make it possible for us to increase production with less funds. Second, we should try in every possible way to increase bank deposits, especially savings deposits and postal savings deposits in both urban and rural areas. Issuing treasury bonds for enterprises should be an important task for our banks this year. Third, we should uphold the principle of stabilising the currency; pay attention to the direction in which funds are rationally invested; and prevent the launching of new projects everywhere.

Chen Muhua stressed: The financial structural reform must proceed from and be in accord with China's actual conditions. The crucial question this year is to improve ways to regulate macroeconomics and open and develop a capital market. At the same time, we should make progress in running our banks as enterprises. The People's Bank should vigorously support and guide a short-term discount loan market. Financial institutions should be set up according to economic needs, and there must not be a general rush into action in this regard. No local or industrial bank should be established, and people should not be overanxious in setting up cooperative banks.

PRC TO ISSUE BONDS TO SUPPORT POWER INDUSTRY

OW020246 Beijing XINHUA in English 0227 GMT 2 Feb 87

[Text] Beijing, February 2 (XINHUA) -- For the first time China will issue three billion yuan (about 800 million U.S. dollars) in bonds at home this year "as a new measure" to raise funds for the power industry, according to Minister Qian Zhengying.

Today's OVERSEAS EDITION of the "PEOPLE'S DAILY" quoted Qian, minister of water resources and electric power, as predicting that China's power generating capacity will top the 100-million-kilowatt mark this year. At present, only the United States, the Soviet Union and Japan have topped such a mark, according to the paper.

She also forecasted a nine percent rise in the country's electricity output this year -- the highest rate over the past seven years. "Energy shortages in China will be eased considerably after the country generates 470 billion kilowatt-hours of electricity this year," she said.

Among the big hydroelectric power stations that will go into operation this year are a 620,000-kilowatt generating unit at Gezhouba on the Yangtze River, in Hubei Province, and a 640,000-kilowatt unit at the Longyang Gorge on the Yellow River, in Qinghai Province.

"Hundreds of experts are now making feasibility studies of the mammoth hydroelectric engineering project to dam the Three Gorges on the Yangtze," Qian Zhengying said.

During the 1986-90 period, China plans to import generating units with a total capacity of 11 million kilowatts from Japan, the Soviet Union and the United States, she said, adding that seven power plants are being built with foreign funds in Guangdong, Jiangsu, Liaoning, Fujian and Hebei Provinces.

HU QILI PRAISES PLA'S REVOLUTIONARY SPIRIT

OW290257 Beijing XINHUA Domestic Service in Chinese 1246 GMT 25 Jan 87

[Excerpts] Beijing, 25 Jan (XINHUA) -- Central leaders Hu Qili, Deng Liqun, and Hao Jianxiu today at the Huairen Hall, Zhongnanhai, received and held discussions with a delegation of model workers from the All-China Federation of Trade Unions, who had visited the Laoshan area as a comfort group. [passage omitted]

The model workers revealed what they had seen and heard at the Laoshan Front. [passage omitted]

Comrade Hu Qili spoke after being briefed by the model workers. He first thanked comrades of the comfort group for visiting the finest people in China at the Laoshan Front. He said: the model workers have learned good ideology and work style from these heroes, and are spreading their experience to all parts of the country. This will greatly promote the building of socialist spiritual and material civilizations.

Hu Qili noted: In a new historic period, the PLA has, under the leadership of the party Central Committee and the Central Military Commission, stepped up efforts to revolutionize, modernize, and regularize itself, and continued to preserve and enhance the glorious tradition of displaying fortitude in struggle and fearing no sacrifice in order to build an Army with "ideals, moral integrity, good education, and discipline." The broad masses of commanders and fighters, in particular those engaged in counterattacks for the purpose of self-defense, and those stationed in border areas all year round, have selflessly given up their youth and lives in the lofty spirit of "sacrificing oneself for the happiness of the 1 billion." This revolutionary spirit is something the Chinese people are proud of, and is for the people, in particular the young people, to emulate.

Hu Qili hoped that comrades in all walks of life would emulate the broadmindedness and noble revolutionary spirit of the commanders and fighters at the Laoshan Front, as well as the PLA's experience in doing ideological and political work to make it the lifeline for all endeavors. By so doing, we can have a strong motivating force for our modernization drive, and a potent weapon for our fight against bourgeois liberalization.

Deng Liqun and Hao Jianxiu, members of the CPC Central Committee Secretariat, also spoke to the model workers. Deng Liqun said: Last year, the comfort group brought back from the Laoshan Front the revolutionary spirit of "sacrificing oneself for the happiness of the 1 billion." This year, they have brought back the slogan of "linking one's heart with everything in the motherland and selflessly dedicating oneself to the people." These two phrases have demonstrated the fine quality of the PLA commanders and fighters and should become something people throughout the nation can spiritually share.

Zhou Keyu, deputy director of the PLA General Political Department, and Luo Gan, Chen Bingquan, Li Xueying, and Yu Qinghe, responsible persons of the All-China Federation of Trade Unions, were also present at the discussion meeting.

JIEFANGJUN BAO ON NEED FOR DICTATORSHIP

HK110237 Beijing JIEFANGJUN BAO in Chinese 3 Feb 87 p 3

[Article by Wei Hanjin (7614 3352 9515) and Liu Jinting (0491 6855 0080): "It Is Imperative To Discuss the People's Democratic Dictatorship"]

[Text] The PRC Constitution stipulates: "The People's Republic of China is a socialist state of the people's democratic dictatorship led by the working class and based on the alliance of workers and peasants." The people's democratic dictatorship is the specific application and development of the Marxist theory of the state and proletarian dictatorship in China. Here, the leadership of the working class is realized through its vanguard -- the CPC. By now, China's intellectuals have already become part of the working class; therefore, the worker-peasant alliance also includes the intellectuals. The functions of the people's democratic dictatorship include two aspects: The extensive implementation of democracy among the people, and exercising dictatorship over the enemies of socialism.

The people's democratic dictatorship, one of the four cardinal principles, is the basis on which our country is founded; it is the state system of China decided by the Constitution, the fundamental political system of our country, and a new-style state power unprecedented in history, in which the people are masters of the country. The Chinese people have gained profound understanding, through their experiences of long-term revolutionary struggles, that the people's democratic dictatorship is a magic weapons as indispensable as daily food and clothing to the people who have won the victory. However, Fang Lizhi, who has done his utmost to advocate bourgeois liberalization, went all out to preach indiscriminately copying the so-called "democratic" system in Western capitalist countries. He said explicitly: "I am one of those who appreciate the view of 'total Westernization.'" "The notion of 'total Westernization' includes our political structure as well as the ownership system." As is clear to all, the system of ownership of production means and the state system of Western capitalist countries are basically different from those of China. [paragraph continues]

When Fang Lizhi proposed copying the political structure and ownership system of capitalist countries, it was obvious that he wanted to change the socialist public ownership system into the capitalist ownership system; and to change the state power with the people as the masters of the country into a state power under the rule of capitalists, in which the people are deprived of their rights. Does this not mean pulling China back to the capitalist road from the socialist road, and changing the people's democratic dictatorship into bourgeois dictatorship? The basic issue of revolution is state power. China's state power of the people's democratic dictatorship came into being at the cost of the lives and blood of many through long-term revolutionary struggles of the Chinese people under CPC leadership. It is the fruit of victory of the democratic revolution as well as an important guarantee for socialist revolution and socialist modernization, and a powerful weapon to consolidate the socialist system and to safeguard the people's democractic rights. The vain attempt to eliminate the people's democratic dictatorship and to implement bourgeois dictatorship runs counter to the trend of historical development and the basic interests of the people.

Fang Lizhi also erased the dialectical unity between democracy and dictatorship, denied the essential differences between socialist democracy and bourgeois democracy, and upheld such fallacies as pure "democracy" and "freedom." He incited some inexperienced young people to fight for so-called "genuine democracy" by taking some "actions," adopting "some radical means of struggle," and "stirring up some trouble," with the party and government as the targets. Was this not brazenly encouraging trouble and creating confusion? The democratic system as the form of a state cannot transcend classes. The bourgeois democratic system which Fang Lizhi was so enthusiastic about is in essence precisely bourgeois dictatorship. The bourgeois scholar Marcuse pointed out frankly: "The question as to what limit our system will allow the masses to air their views is answered quite simply: Within the limit that they will not form an actual threat to the existing socioeconomic, political, and cultural systems." Otherwise, dictatorship will be exercised. Likewise, democracy and dictatorship simultaneously exist in socialist countries. The difference lies in the fact that democracy is enjoyed by the proletariat and the working people, while dictatorship is exercised over those class enemies opposing the socialist system. With the changes in the class conditions in China, the people's democracy has expanded, while the field of dictatorship has been narrowed. However, the functions of dictatorship have not changed. The socialist state will never allow the practice of using democracy in opposing party leadership, opposing the socialist system, and pursuing bourgeois liberalization, or insetting democracy against dictatorship, or in stressing democracy only while neglecting and even negating dictatorship.

For some time past, some people thought incorrectly that with the work focus of the party and the state shifting and the elimination of the exploiting classes, "the targets of dictatorship no longer exist." But actually, as is explicitly pointed out in China's Constitution: "In China, the exploiting classes are eliminated as classes; however, class struggle will continue to exist for a long time to a certain degree. The Chinese people must carry out struggle against those domestic and foreign hostile forces and elements sabotaging the socialist system in China." In our society, there are still old exploiting elements who have not been well reformed, elements who committed serious crimes and other bad elements, and new exploiting elements who have committed graft and embezzlement, smuggling and traffic in smuggled goods, as well as profiteering; there are still remnants of the Lin Biao and Jiang Qing counter-revolutionary cliques, and those elements who are eager to see the world plunged into chaos. Although the specific conditions of those categories of people are different, and the nature of their cases are different, they all point the spearhead against our socialist system and the people's democratic dictatorship. By no means should we relax our vigilance.

China is a country in which the people are the masters. Developing socialist democracy, and building a socialist political system with a high level of democracy is one of the important tasks of China's modernization and the political structural reform. However, this does not mean weakening or eliminating dictatorship; on the contrary, the correct and effective implementation of the functions of the state dictatorship is precisely the important guarantee for realizing socialist democracy. Just think, if dictatorship is not exercised over a handful of hostile elements sabotaging China's socialist system, and if violations of the law are not punished, how can we safeguard people's democratic rights as endowed by the Constitution? How can we talk about building socialist democracy to a high degree? At present, if we allow those people with ulterior motives who are eager to see the world plunged into chaos to confuse right and wrong, to stir up trouble by rumormongering, and to incite the masses to create turmoil, a political situation of unity and stability is likewise impossible, the democratic rights of the overwhelming majority will not be guaranteed, and socialist modernization will come to nothing.

The PLA is an important component part of the state machinery, and the pillar of the people's democratic dictatorship. The basic functions of the Army remain unchanged after the strategic change is carried out in the guiding idea on Army building. The PLA will always be a combat force. To build the PLA into a powerful, modernized, and regular revolutionary army and to give better play to its role as the pillar of the people's democratic dictatorship is the expectation and trust of the people throughout the country placed on the PLA soldiers, as well as the great historical mission entrusted to us by the party and the people. We must work enthusiastically and exert our efforts to fulfill the historical mission entrusted to us by the party and the people. At present, it is necessary for us to plunge into the struggle to adhere to the four cardinal principles, and the struggle to oppose bourgeois liberalization with a clear-cut stand, and to make positive contributions to this struggle which has a bearing on the fate of our party, the future of socialism, and the success or failure of all-round reform and opening up.

PAPER ON CENTRAL MILITARY COMMISSION MEETING

HK101333 Beijing JIEFANGJUN BAO in Chinese 3 Feb 87 p 1

[Commentator's article: "Thorough Implementation of the Spirit of the Expanded Session of the Military Commission Is Consistent With Adherence to the Four Cardinal Principles"]

[Text] Since the new year, all units of the Army have begun to conduct education in adhering to the four cardinal principles and opposing bourgeois liberalization; at the same time, they are also studying and implementing the spirit of the enlarged meeting of the Central Military Commission. Such an arrangement is correct, because these two things are completely in keeping with each other, and their contents are linked to each other. So we should and can carry out these two tasks at the same time in a proper way.

The enlarged meeting of the Central Military Commission was held in December 1986 under the guidance of the four cardinal principles. The basic spirit of the meeting was to firmly implement the four cardinal principles and guarantee the party's absolute leadership over the Army; to strengthen ideological and political work and spiritual civilization under the guidance of Marxism-Leninism-Mao Zedong Thought; and to fulfill all tasks for the Army around the central task of modernization and adapt the Army to the new situation of reform, opening up, and economic invigoration.

Fulfilling the tasks set forth by the meeting is a good form of combining the efforts to adhere to the four cardinal principles with the Army's actual work.

The main subject dealt with by the enlarged meeting of the Central Military Commission is to strengthen and improve the Army's political work in the new period. The meeting summed up the Army's historical experience in its political work, pointed out the tasks and requirements for the Army's political work in the new period, and expounded the position, functions, and basic guideline of political work in the Army. Implementing the spirit of the enlarged meeting of the Central Military Commission, strengthening ideological and political work, giving full play to the service, and guaranteeing the role of the political work are of prominent significance for educating and mobilizing all commanders and soldiers of the Army to adhere to the four cardinal principles and oppose bourgeois liberalization. On the one hand, we should further raise the servicemen's understanding of the important and protracted character of the struggle against bourgeois liberalization. The four cardinal principles should be taken as the political criterion for judging the right and wrong of all opinions and viewpoints. The scope, focus, methods, and policy limits of this struggle should be clearly defined. On the other hand, the struggle's practice of adhering to the four cardinal principles and opposing bourgeois liberalization will also test the quality of our political work and will enrich, develop, and advance our political work. The purpose of adhering to the four cardinal principles must be achieved through effective political work. In the previous period, although a small number of people were advocating bourgeois liberalization and a small number of students went into the streets to make disturbances, all units of the Army still maintained a high degree of stability. No cadets from the military academies supported or participated in the disturbances. They showed a high degree of ideological consciousness and a firm sense of organization and discipline. This fact deeply proves that so long as we obey the command of the party central leadership and the Central Military Commission at any time and effectively strengthen the ideological and political work, our Army will be able to firmly adhere to the four cardinal principles, resist the influence of bourgeois liberalization, and stand up to any severe test.

Since our Army changed the guideline for Army construction, all comrades in the Army are faced with arduous and glorious tasks. We should, through implementing the spirit of the enlarged Central Military Commission meeting, help all commanders and soldiers clearly understand the foundation for the strategic change in our Army's guideline for Army construction and understand the great significance and essence of this major change, so as to bring the thoughts and actions of all people into line with the policy decision of the party central leadership and the Central Military Commission. We should be bold and resolute as well as careful and prudent in carrying out various reforms in the Army. We should ensure a high quality of political, military, cultural, and civilian skill training of the troops so as to make our officers and men more competent and capable. Spiritual civilization must be strengthened in connection with the Army's reality. The achievements of party rectification should be consolidated, and party organizations should be consolidated regularly. Grass-roots organizations should be substantially improved in 2 to 3 years. The filfillment of these tasks is not only the work of this year, but is also related to the entire process of the Army's modernization. We must actually do a good job and must not relax our efforts.

Both the education in adherence to the four cardinal principles and the implementation of the spirit of the enlarged Military Commission meeting require party committees at various levels to strengthen their leadership. On the one hand, leading organs and cadres should pay close attention to the actual situation, make investigations and studies, and promptly discover and resolve problems. [paragraph continues]

We should prevent and correct the practice of boasting and exaggeration and should not indulge in cosmetic and unrealistic practice. On the other hand, we should organize and guide such work and better coordinate the work in various aspects. The whole year's work depends on a good start in the spring. We must grasp the work very tightly from the very beginning and strive for new achievements to greet the 60th anniversary of the founding of the Army.

JIEFANGJUN BAO STRESSES SPIRIT OF SELFLESSNESS

HK100301 Beijing JIEFANGJUN BAO in Chinese 25 Jan 87 p 1

[Commentator's article: "Continue To Carry Forward the Spirit of Selflessness"]

[Text] Selflessness is a glorious tradition that has passed down from one generation to another in our people's Army. In times of war, veteran revolutionary soldiers took this as a spiritual pillar, feared no sacrifice, and pressed forward with indomitable will. Today, our comrades-in-arms at their posts of safeguarding the motherland are vying to become models of selflessness with their practical actions of arduous struggle, paying no attention to their personal losses or gains. However, for sometime past, a saying spread in society that only personal desire is the motivating force of social progress; and if socialism is to implement the principle to each according to his work, the spirit of devotion and selflessness should not be stressed. This shows doubt and even negates the spirit of selflessness and devotion. Can we agree to such a view? Obviously not.

Selflessness is a great spirit that has all along been praised by the majority of people in human history, as well as a fine moral tradition of the Chinese nation. Fan Zhongyan's spirit of "worrying before the whole world worries, and being happy after the world is happy;" Du Fu's lines "should there be thousands of buildings to shelter all the poverty-stricken scholars, how happy they would be," and Wen Tianxiang's lines "nobody is immortal in this world, but I'll leave my loyal heart to shine in the pages of history;" have always been widely spread and quoted by the Chinese people past and present. This explains that despite the continuous rises and falls in history, and the changes in the social systems, egoism has never been universally acknowledged as a moral standard in society. It is not true that even in contemporary capitalist society, egoism has never been upheld as a universal moral requirement in public?

In "The Communist Manifesto," Marx and Engels pointed out: "All previous historical movements were movements of minorities, or in the interest of minorities. The proletarian movement is the self-conscious, independent movement of the immense majority." This implies that in the revolutionary cause of the proletariat, in socialist society, "selflessness" is basically different in its notion and realm from that in all societies of exploiting classes. Based on its nature as the vanguard of the proletariat, our party has concentrated all virtues in the development of human civilization, and elevated "selflessness" to a new height of serving the people heart and soul, not hesitating to sacrifice all one has, and struggling all one's life to realize communism." Comrade Mao Zedong regarded this as the spirit of absolute selflessness, and saw those who strive for the revolutionary cause of the proletariat as "noble-minded." Comrade Chen Yi, a proletarian revolutionary of the older generation, encouraged himself with the maxim "I will do everything for the masses, and be ashamed to seek personal gain," and what a clear-cut stand he took regarding the public and the self! [paragraph continues]

At the 1980 central work conference, Comrade Deng Xiaoping summarized the precious revolutionary spirit that our party and Army have shaped in long-term revolutionary wars: The revolutionary spirit, which inspires people to work tirelessly and observe strict discipline, and the spirit that gives people revolutionary optimism and the determination to overwhelm all enemies and surmount all difficulties in order to win victory. The core of these revolutionary spirits is precisely selflessness. In our socialist society, numerous selfless communists, people's soldiers, and advanced models will always take the lead in charging forward at critical moments, whenever people's lives and properties are harmed, and they will fight for the peace, happiness, and prosperity of our country and nation with their dedication. Why is it that Lei Feng's spirit of "being a fool" will never be forgotten by the 1 billion people? Why is it that the Laoshan heroes' pledge that "the suffering of personal losses is for the happiness of 1 billion people" is spread far and wide in and outside the army? It is precisely because they have practiced the noble spirit of dedication and selflessness, and they are so devoted to public service as to forget their own interests. Is it not precisely such numerous people serving as backbones that have led thousands upon thousands of people to progress step by step in long-term struggle in China's historical and revolutionary cause? If the spirit of selflessness is neglected, with egoism taking its place, if attention is attached only to reward without speaking of dedication, the result can only be bargaining and haggling over everything, and nobody would be devoted to the revolution. Neither could one take the whole situation into consideration, observe discipline, overcome all difficulties, be brave at shouldering heavy tasks, and be victorious. Then, how are we to push forward the successes of our undertakings and social progress? The view that only personal desire is the motivating force for social development is not only completely confusing right and wrong, but also irresponsibly plays down and throws mud at numerous heroes, models, and advanced personalities who dedicated their lives to the revolution, as well as all those people with lofty ideals who sacrificed their lives for a just cause in history! Our heroes and comrades-in-arms at the Laoshan front have put it well: Had it not been for the "happiness of 1 billion people," even if there had been 10,000 tons of gold at the summit of Laoshan, it would not have moved us a bit, and still less would we have dedicated our youth and lives! That is the answer of our soldiers. Here, could egoism or personal desire motivate these people?

Some people believe that, as socialism implements the principle of to each according to his work, "I'll do only equal value of work, and selflessness should be stressed no more." Such a view is one-sided. In fact, in our socialist society, the upholding of the spirit of selflessness can only be more favorable to correctly implementing the principle "from each according to his ability, to each according to his work." For example, the distribution of social products involves the question of how to deal with the relations between the state, the collective, and the individual upholding the spirit of selflessness will be favorable to correctly resolving this question and further promoting the harmony between economic development, social stability, and human relations. Regarding our Army cadres and soldiers, will not the problems of the so-called "being soldiers involves personal losses" be easily solved with the spirit of selflessness? Just think, what will the situation become if attention is attached to personal interests only, if everyone is bent on making more money, doing light work, and seeking a better post, or stresses on "doing only equal value of work," while being unwilling to suffer any personal losses, to exert one's efforts, and to make greater contributions?

At the same time, "to each according to his work" is just a principle for the socialist distribution of social production; it is not a moral requirement of socialist spiritual civilization, and still less is it a moral standard at a higher level. [paragraph continues]

Of course, we cannot require all citizens to acquire communist ethics and become selfless in socialist society, but communists, and party cadres, especially cadres shouldering responsibilities of leadership at all levels, should do their best to achieve this. By no means should they lower their standards to those of ordinary people. Only then, will it be possible to actively promote the progress of socialist spiritual civilization, to cultivate a high level of political and ideological consciousness, to have foresight, to stand in the forefront of the times, and to become a generation of new socialist people that will push forward social progress. Therefore, to each according to his work as a principle of distribution, and the spirit of selflessness as a high criterion do not run counter to each other but are supplementary to each other. Here, we must make it clear that upholding the spirit of selflessness does not mean the denial of appropriate personal interests. Appropriate personal interests and egoist personal desire antagonistic to "selflessness" are different kettles of fish. Egoism must be eliminated, while appropriate personal interests should be protected, and rational and possible personal requirements should be satisfied. This is beyond doubt.

The People's Army enjoys a high prestige in the eyes of the people. Everyone of our cadres and soldiers should always put the interests of the party and the people first, as they always have, with their personal interests unconditionally subjected to the interests of the party and the people first, as they always have, with their personal interests unconditionally subjected to the interests of the party and the people, and all actions should be conducted under the general situation of the party and the state, so as to continuously bring forward the spirit of selflessness.

PLA AIR FORCE TO DIRECTLY RECRUIT FLIGHT CADETS

OW052351 Beijing XINHUA Domestic Service in Chinese 0816 GMT 5 Feb 87

[By reporter Cai Shanwu and correspondent Liu Jia]

[Text] Beijing, 5 Feb (XINHUA) -- A responsible person of a Chinese Air Force department recently told reporters that the Air Force would directly recruit its flight cadets, a departure from the past practice of relying on the People's Armed Forces departments and local governments for their enrollment. The State Education Commission and the PLA General Political Department recently issued a joint circular on their decision to start direct enrollment of flight cadets in several pilot provinces and municipalities this year.

According to the circular, the state will integrate the enrollment of flight cadets into the national unified college enrollment plan. Under the leadership of the provincial and municipal enrollment committees, the Air Force will send personnel to assist in the recruitment and preliminary screening, and to conduct physical and political examinations of those passing the preliminary screening. Those qualified will take part in the national unified college entrance examination and will be selected, on merit, in advance. The long-used flight cadet enrollment measure has not been able to meet the requirements of Air Force construction and aeronautical technological development, as it is impractical and out of date, and has failed to turn out a higher percentage of well-trained airmen.

The responsible person told reporters that this is the first year of pilot reform. The cadets will be recruited primarily from senior high school graduates. Modern equipment will be used in some categories of the physical checkup. There will also be an aeronautical mental aptitude test to check the examinees' coordination, reaction, and judgment. This is the first time in the Air Force recruitment history that an aeronautical mental aptitude test has been applied.

HEFEI NOTES NEED TO REALIZE SOCIALIST DEMOCRACY

OW100603 Hefei Anhui Provincial Service in Mandarin 1200 GMT 8 Feb 87

["Weekly Forum" article by (Ge Jiping): "To Develop Socialist Democracy, It is Imperative To Uphold the Four Cardinal Principles"]

[Text] To develop a high degree of socialist democracy is the basic policy and purpose of our party. Since the 3d Plenary Session of the 11th CPC Central Committee, our party and state have taken a serious of practical and important measures to develop socialist democracy and to strengthen the socialist legal system. These measures have accelerated the development of socialist democracy and legality, thus opening the best period of democratic life since the founding of the PRC. These measures have also effectively ensured the stability and unity of the state and the smooth development of the four modernizations.

In recent years, as the party has been leading the people in developing democracy, an extremely small number of people have taken this opportunity to put up their banners to demand democracy in an attempt to confuse and poison the minds of young people. They have flagrantly advertised Western bourgeois democracy and tried to obliterate our country's achievements in developing socialist democracy and the socialist legal system. Without mentioning the essential difference between socialist and bourgeois democracy, they have used pure democracy to confuse young people who do not have a clear understanding of Marxist state theory.

As a political system, democracy has never been abstract or absolute. Democracy in capitalist countries, which is actually a form of rule by the bourgeoisie, serves the capitalist system of private ownership. Our democracy is socialist democracy for the overwhelming majority of the people, and it serves the socialist system of public ownership. Only a very small number of elements who are hostile to or sabotage the socialist system of our country and criminals are subject to punishment according to law.

Taking advantage of the fact that our socialist democracy is not yet perfect, an extremely small number of people have exaggeated our temporary difficulties and our mistakes in work. They have even started rumors to vilify the leadership of the party and the socialist system in an attempt to negate the four cardinal principles. We must not allow this trend of thought to spread unchecked.

As early as March 1979, Comrade Deng Xiaoping explicitly pointed out: To achieve the four modernizations, we must uphold the four cardinal principles. These principles are: Keep to the socialist road; uphold the dictatorship of the proletariat; uphold the leadership of the Communist Party; and uphold Marxism-Leninism-Mao Zedong Thought.

Comrade Deng Xiaoping stressed: The four cardinal principles should be viewed as a whole, but the most important are keeping to the socialist road and upholding party leadership; the core is to uphold party leadership.

Eight years have passed since 1979. The history of the past 8 years has proven that only by upholding the four cardinal principles have we been able to bring about the situation of stability and unity and make tremendous achievements in socialist modernization. The four cardinal principles are the common political basis on which our people can advance in unity. They are the basic guarantee for the success of the four socialist modernizations.

Tested in history, the four cardinal principles have proven to be correct and scientific. It is therefore necessary to uphold the four cardinal principles in order to develop socialist democracy. Engaging in empty talk about democracy without following the four cardinal principles will certainly lead to rampant ultrademocracy and anarchism, which will jeopardize the situation of stability and unity and will be detrimental to the four modernizations drive.

It should be understood that the democracy we need today can only be socialist democracy or people's democracy and not bourgeois democracy or individualist democracy. Some people think that democracy means taking oneself as the dominant factor and saying or doing as one pleases; if one does not agree to saying or doing as one pleases, he will be donounced as suppressing democracy. There is no such unrestricted democracy in the world. Those holding such a view of democracy are very apt to be used by people with ulterior motives.

The socialist road and Communist Party leadership are the historic choices made by the Chinese people after going through a protracted struggle, traveling a tortuous road, and making great sacrifices. It is under Communist Party leadership that our people have embarked on the bright road of socialism and that they have become true masters of the country. Without the Communist Party there would be no socialist democracy. Only under the leadership of the Communist Party will we be able to successfully develop socialist democracy. All words and deeds that negate party leadership and the socialist system and advocate bourgeois liberalization are againstthe interests of the people and the historical trend. Therefore, in the course of developing a high degree of socialist democracy, we must take a clear-cut stand in justly and forcefully criticizing the ideological and trend of bourgeois liberalization and defend and uphold the four cardinal principles.

JIANGSU SEMINAR REVIEWS NANJING STUDENT MOVEMENT

OW081057 Nanjing Jiangsu Provincial Service in Mandarin 1015 GMT 6 Feb 87

[Text] Yang Yongyi, vice governor and chairman of the provincial Education Commission, recently convened a seminar of cadres and teachers from some of the colleges and universities in Nanjing to analyze the current ideological and political work in colleges and universities and to discuss and study ways to improve and intensify ideological and political work in the new school year.

Comrades attending the seminar noted that the student movements launched by a minority of students from some of the colleges and universities in Jiangsu, particularly in Nanjing, at the end of last year had persisted for a considerable period. They all agreed that the movements were serious and had resulted from a lack of clear-cut and firm opposition to bourgeois liberalization in recent years. Some colleges and universities were unable to resist the onslaught of the tide of bourgeois liberalization, resulting in the rampage of this ideological trend. All agreed that the task of conducting ideological education in colleges and universities is a very weighty one and that it was necessary to go all-out in performing this task in the new school year.

Comrade Yang Yongyi discussed and studied with other comrades at the seminar ways to improve and intensify ideological and political work in the new school year. He emphatically stated: The ideological and political work of colleges and universities in the new school year should focus on the efforts to uphold the four cardinal principles and to oppose bourgeois liberalization. It is necessary to pursue the principle of stresssing positive education among college and university students. Schools should make preparations for their reopening and map out plans for ideological and political education in accordance with their actual situations.

First, it is necessary to organize teachers and staffers, especially party cadres, to earnestly study criticisms by central leaders of erroneous views of bourgeois liberalization, and help them distinguish between right and wrong and improve understanding in matters of basic political principles and directions. It is essential to get the students actively involved in social affairs, to improve their understanding of China's situation and the actual state of party building, to conduct thorough education in the legal system, and to adopt as a basic course in the new school year the resolution recently passed by the NPC Standing Committee on strengthening education in the legal system and safeguarding stability and unity in order to improve the concept of discipline and law among young students. In the meantime, it is necessary to enforce school rules strictly.

Comrade Yang Yongyi hoped that all social forces, including parents, would show concern about ideological and political work among college and university students and a healthy way.

JIANGSU COASTAL CITY ATTRACTS MORE FOREIGN MONEY

OW091006 Beijing XINHUA in English 0917 GMT 8 Feb 87

[Text] Nanjing, February 9 (XINHUA) -- Adopting flexible policies has attracted more investors to Lianyungang, one of China's 14 open coastal cities, in Jiangsu Province.

Tang Guanhuai, mayor of the city, said here today that two companies -- the Huayou Packaging Company Ltd, and the Electronics Technology Development Center -- have already opened in the city's economic and technological development zone, and a dozen more will go into operation here later this year.

Under the flexible policies, an export-oriented enterprise will be exempt from local income tax for five years after it begins to make profits and an enterprise with advanced technology will have a 10-year tax exemption.

Priority will be given to foreign-funded enterprises in the supply of raw and other materials, water and electricity, and the board of a foreign-funded enterprise has the right to decide on the wages and bonus system.

A total investment of 1,560 million yuan has been poured into infrastructure construction with the stress on power, transport and telecommunication projects since 1984 when Lianyungang was designated as one of the open coastal cities, the major said.

So far, a modern coal wharf with a handling capacity of nine million tons of cargo and part of the double-tracking project of the Lianyungang-Lanzhou railway line have gone into operation; a 4,000-line program-controlled telephone switching system, a computerized telephone system, and a 960-path microwave communication system will soon open; and installation of two units each with a generating capacity of 200,000 kilowatts is well under way.

Lianyungang has carried out economic and technical exchanges with 25 countries and regions over the past three years, the mayor said. Contracts for 181 foreign-funded projects have been concluded and 18 have been approved. The seven foreign-funded enterprises which have already gone into production here are making profits.

The mayor continued that China's open policy has boosted the city's economy. Last year Lianyungang's total industrial and agricultural output value totalled 4,560 million yuan, 16.4 percent higher than in 1985.

SHANDONG HOLDS MEETING TO STUDY NPC DECISION

SK0805540 Jinan Shangdong Provincial Service in Mandarin 2300 GMT 7 Feb 87

[Text] From 4 to 7 February, the provincial People's Congress Standing Committee held a meeting with the participation of its chairman and vice chairman to conscientiously relay and study the NPC Standing Committee decision on intensifying legal education to maintain stability and unity.

Li Zhen, chairman of the provincial People's Congress Standing Committee, presided over the meeting. Attending the meeting were vice chairmen of the provincial People's Congress Standing Committee, including Xiao Han, Xu Leijian, Zahang Zhuseng, Xu Jianchun, Lin Ping, Lu Hong, Xu Sen, and Yan Qingqing. Attending the meeting as observers were responsible comrades of the office of the provincial People's Congress Standing Committee; and responsible comrades at or above the department and bureau levels from the commissions in charge of legal, financial and economic, and educational, scientific, and cultural work under the provincial People's Congress Standing Committee.

The meeting held: The decision reaffirms the stipulations of the Constitution on upholding the four cardinal principles; on the principle of state organs carrying out democratic centralism; on safeguarding the freedom, rights, and interests of citizens; and on maintaining the unification and dignity of socialist legality. It reaffirms the stipulations of the Constitution and the criminal law on safeguarding social order by punishing criminal offenders. Thus, studying, disseminating, and implementing the decision is of great significance in developing socialist democracy, perfecting socialist legality, safeguarding and developing the political situation characterized by stability and unity, and ensuring the smooth progress of reform, opening the country to the outside world, and socialist modernization.

All participants unanimously pledged to completely support and resolutely implement the decision.

The meeting stressed: The four cardinal principles which have been placed in the Constitution of the state are the foundation for building and administering our country. Therefore, the four cardinal principles reflect the fundamental interests and the common aspirations of all the people of the nation and are the essential conclusion made through the development of Chinese history. At present, a small number of people oppose the four cardinal principles and advocate bourgeois liberalism. They do not enjoy the support of the people since their words and actions run counter to the Constitution and the fundamental interests and common aspirations of the people. In order to safeguard the dignity of the Constitution and to correctly and comprehensively implement the line, principles, and policies set forth by the party since the 3d Plenary Session of the 11th CPC Central Committee, we must justly and forcefully have a clear-cut stand to oppose the ideological trend of bourgeois liberalism and must carry out through to the end the struggle which determines the destiny and the future of the party and the state.

The meeting pointed out: As a local organ of state power, the provincial People's Congress Standing Committee should stand in the forefront of the struggle for upholding the four cardinal principles and opposing bourgeois liberalism.

It should make due contributions to mobilize the people throughout the province to study, disseminate, and implement the decision; to safeguard and develop the political situation characterized by stability and unity; and to further promote the progress of the work of reform, opening the country to the outside world, and making the people rich and Shandong prosperous.

The meeting defined that the provincial People's Congress Standing Committee should play an exemplary role in conscientiously studying and enthusiastically disseminating the decision, and should focus its annual work on education on legality. The people throughout the province, particularly leading cadres at all levels, should conscientiously study and disseminate the decision, play an exemplary role in abiding by and implementing it, use the decision -- a legal and ideological weapon -- to resolutely wage a struggle against bourgeois liberalism, and continue promoting the province's socialist modernization cause.

ZHEJIANG EXAMPLE CITED IN PROTECTING REFORMERS

OW050910 Beijing XINHUA in English 0840 GMT 5 Feb 87

[Text] Beijing, February 5 (XINHUA) -- A frontpage story in today's "GUANGMING DAILY" once again alerts people of the need to protect reformers.

Zhu Bolu, a rural school factory director in Zhejiang Province, was sentenced to two years in prison with a three-year reprieve, but the decision was revoked by a higher court which closed the case after Zhu's appeal.

"A clear distinction must be made between those who have made errors when implementing the reforms and those who have committed economic crimes by taking advantage of them," the paper says.

Local officials and village residents questioned Zhu's arrest in October 1985 and the sentence he received from the county court, saying that Zhu had been wronged.

Zhu was sentenced by the Xiaoshan County court in July 1976 on charges of bribery and corruption because in six months of 1985, he had paid "exceedingly high" salaries to five advisors, gave refrigerators to four of them and kept 2,100 yuan (568 U.S. dollars), the wages of two advisors, in his office.

These actions raised questions in the minds of local authorities, who decided to investigate Zhu's factory accounts, the paper says.

Zhu began his career as an entrepreneur in 1972, when he set up a meters and instruments factory for the Tangwan Village school where he had been a teacher.

The profits had snowballed, reaching 1.35 million yuan (365,000 U.S. dollars) in 1984, thanks to the piece work system and quality control regulations Zhu introduced, the paper reports.

With part of the profits, Zhu gave all his fellow teachers a raise, built two classroom buildings and started a free education program for all village children. He also invested 1.2 million yuan (324,000 U.S. dollars) in promoting education in his country.

GUANGDONG GOVERNMENT ARRANGES 1987 WORK TASKS

HK070529 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 7 Feb 87

[Text] The provincial people's government held an enlarged plenary meeting in Guangzhou on 5 and 6 February. In accordance with the State Council's plans, the meeting reviewed economic and social development in 1986, analyzed the situation, and made arrangements for this year's work. Governor Ye Xuanping made a report.

The meeting proposed that the general guiding principle for work in 1987 should be, in economics, to reduce overheating, to practice strict economy and increase production, and to build the national economy on a basis of long-term stable development; and, in the political and ideological field, to resolutely oppose bourgeois liberalization.

The meeting said that to attain the main goals for the province's economic and social development plan for 1987, it is necessary to continue to promote the reforms, further deepen enterprise reform, and do a good job in reforms in the ciruculation field and the financial setup. It is necessary to take new strides forward in opening up. The province must seriously readjust the investment structure and product mix, and resolutely grasp grain production and developmental agricultural production. It is necessary to vigorously support the mountain regions and poor areas. The province must further strengthen and improve macroeconomic control. It is also necessary to improve science and technology work, run education well, step up the building of socialist spiritual civilization, and continually improve people's quality.

The meeting stressed: It is necessary to launch an extensive drive to increase production and practice economy throughout the province. The finance departments at all levels must ensure regular expenditure with regular revenue. They must not increase expenditure at will. Every enterprise must strive to increase production, tap production potentials, reduce input consumption, and improve economic results. Among the masses, we must strive to advocate frugality and thrift and carry forward the fine tradition of arduous struggle and building the country through thrift and hard work.

SHENZHEN CLOSES NEWSPAPERS, JOURNAL 10 FEB

HK120529 Hong Kong TA KUNG PAO in Chinese 12 Feb 87 p 3

["Special dispatch fron Shenzhen": "Two Newspapers and One Journal in Shenzhen Stop Publication To Conduct Internal Reorganization"]

[Text] SHENZHEN QINGNIAN BAO officially announced its suspension of publication for the purpose of internal reorganization on 10 February.

The Editorial Committee of SHENZHEN QINGNIAN BAO published a notice, saying that after careful consideration, the Editorial Committee decided to concentrate on examining and criticizing its mistakes in the previous period so as to sum up experience and draw a lesson, so the newspaper will stop publication as of today.

It is reported that following SHENZHEN QINGNIAN BAO, another newspaper, SHENZHEN GONGREN BAO, and a literary magazine, TEGU WENXUE [SPECIAL ECONOMIC ZONE LITERATURE], in Shenzhen City will also suspend publication.

SHENZHEN QINGNIAN BAO was a newspaper oriented to young people. It was published twice a week. In the previosu period, it was criticized by the principal responsible people of Shenzhen City for publishing articles that violated the four cardinal principles and for its outstanding performance in advocating bourgeois liberalization.

HENAN RADIO EXAMINES PERSEVERANCE IN TWO ASPECTS

HK060909 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 5 Feb 87

[Commentary by Henan radio and television news center: "Uphold the Four Cardinal Principles and Persevere in Reform, Opening Up, and Invigoration"]

[Text] Spring returns to the earth again and everything looks fresh and gay. Entering the first month of 1987, the people of the whole province, under the leadership of the party and by upholding the four cardinal principles, waged the struggle against bourgeois liberalization. This has become a great driving force for reform, opening up, enlivening the domestic economy, and other work. A lively situation of vitality and prosperity prevails on all fronts in our province. With regard to upholding the four cardinal principles and fighting bourgeois liberalization, as well as persevering in reform, opening up, and invigoration, the two are related; neither can be dispensed with. Without upholding the four cardinal principles, we will lose bearings in reform, opening up, and invigoration; and without persevering in reform, opening up, and invigoration, people's enthusiasm will not be brought into full play. If we fail to rapidly develop the productive forces, it will be impossible for us to build socialism with Chinese characteristics.

The 3d Plenary Session of the 11th CPC Central Committee, which is of great historic significance, decided to shift the focus of the work of the whole party to economic construction. The line formulated at the Third Plenary Session requires us to build socialism with Chinese characteristics in line with actual conditions in China. The line consists of two basic points: To uphold the cardinal principles and to persevere in the policy of reform, opening up, and invigoration. Therefore, emphasizing only one point and neglecting another does not accord with the basic spirit of the line formulated by the Third Plenary Session.

At present, we are waging the struggle against bourgeois liberalization. This precisely serves as an important move in the correct and all-round implementation of the line, policies, and principles formulated since the 3d Plenary Session of the 11th CPC Central Committee and the vigorous implementation of the decision on the guiding principles for building spiritual civilization adopted at the 6th Plenary Session of the 12th CPC Central Committee.

It is worth noting that some of our comrades lack a clear understanding of the relationship between the two basic points. Sometimes, consciously or unconsciously, they separate the two basic points and even set one against the other. When concentrating on reform, opening up, and invigoration, they often neglect the direction and prerequisite, so they are confused and have some, muddled ideas. For example, they do not keep a clear head on such problems as the importance of upholding the four cardinal principles and opposing bourgeois liberalization, the necessity of adhering to the people's dictatorship while hostile elements still exist, the problem of keeping in mind the decadence of the capitalist system while learning foreign advanced experience, and the problem of always remembering the superiority of the socialist system while admitting that there are drawbacks in our system and that reform should be carried out. In consequence, when emphasis is placed on upholding the four cardinal principles and waging a struggle against bourgeois liberalization, they are immediately surprised.

Regarding the ideological trend of bourgeois liberalization, the party Central Committee became aware of it long ago and issued relevant instructions to fight it. At a forum on the principles of the party's theoretical work held in 1979, Comrade Deng Xiaoping specially delivered an important speech entitled: Uphold the Four Cardinal Principles. In his speech, he pointed out: While we will import advanced technology and other useful things from the capitalist countries -- selectively and according to plans -- we will never learn from or import the capitalist system itself, nor anything repellent or decadent. To achieve the four modernizations, we must keep to the socialist road, uphold the dictator ship of the proletariat, uphold the leadership of the Communist Party, and uphold Marxism-Leninism-Mao Zedong Thought. The party Central Committee holds that now we must repeatedly emphasize upholding the four cardinal principles, because some people, even very few people, try to shake the four cardinal principles. They are absolutely not allowed to do so. Since then, almost every year Comrade Deng Xiaoping has stressed upholding the four cardinal principles and opposing bourgeois liberalization. When we review these instructions now, our hearts are more touched than before.

In the face of the furious attacks against the party and socialism launched by Wang Ruowang, Fang Lizhi, Liu Binyan, and others, it is absolutely necessary to wage a resolute struggle against bourgeois liberalization to ensure reform, opening up, and invigoration in order to advance tgriumphantly along the course of socialism. The persistent policy of our party is to oppose leftism, if any, and to do the same witgh the case of rightism. Wherever there is leftism, we must oppose it; and wherever there is rightism, we must likewise oppose it. As long as there is bourgeois liberalization, we must resolutely oppose it. This is not suprising.

Some comrades do not understand well the nature, methods, and purpose of the present struggle. When emphasis is made on opposing bourgeois liberalization, they immediately think about wehether the policies of reform, opening up, and invigoration will change. This is because they do nct have sound understanding of the basic spirit of the line formulated at the 3d Plenary Session of the 11th CPC Central Committee. In the communique of the recent enlarged meeting of the CPC Central Committee Political Bureau, it is officially announced: No urban and rural policies will change; the policy of carrying out all-round reforms will not change; the policy of opening up to the outside world will not change; the policy of enlivening the domestic economy will not change; and the policdy of respecting knowledge and highly trained people will not change. Far from changing these policies, we should implement them well. The more we achieve in implementing these policies, the stronger our criticism of fallacies concerning bourgeois liberalization will be.

It must be clearly pointed out that opposing bourgeois liberalization has specific implications. Speaking at the recent Spring Festival gathering on behalf of the party Central Committee, Comrade Zhao Ziyang gave a clear explanation on the question. He pointed out: The present struggle against bourgeois liberalization is mainly aimed at resolving the problem of basic political principles and political orientation. It should be strictly restricted within the Communist Party and carried out only in the political and ideological spheres. It should not be carried out in the rural areas, and only positive education will be conducted in enterprises and offices. This tells us that in opposing bourgeois liberalization, we stress only fighting the erroneous trend of trying to depart from the leadership of the Communist Party and negating the socialist road. The struggle is not related to economic reform, rural policies, scientific and technological research, the work of improving quality and means of literary and artistic expression, and people's daily life. In party, government, and military organizations as well as in enterprises and institutions in the rural areas, we will educate party members alone by positive measures or examples. The struggle will not involve democratic parties and nonparty intellectuals.

No political campaign will be launched, and under no circumstances shall the leftist erroneous practices be allowed to recur.

Unholding the four cardinal principles, waging the struggle against bourgeois liberalization, and consolidating political stability and unity are the foundation of building and running our country. This is not only an urgent task now but also a long-term task in the future that must be stressed in the whole course of reform, opening up, and invigoration. Comrades of the entire party should understand the question well and get well prepared mentally. Party committees at all levels should strictly observe the principles, policies, and plans formulated by the party Central Committee. They should be resolute and not give up halfway. At the same time, they should act with caution and adopt feasible methods. In the new year, we must resolutely persevere in the two aspects to advance all lines of work so that the building of the two civilizations will proceed triumphantly on the correct course of our march onward.

HENAN CIRCULAR VIEWS READJUSTING GRAIN QUOTAS

HK100311 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 9 Feb 87

[Excerpts] In order to further mobilize the peasants' enthusiasm for growing and selling grain, and ensure the essential source of marketable grain for the state, the provincial government recently issued a circular stating that the province's contract grain purchase quota this year is to be reduced form 4.045 billion kg to 3.4 billion kg. The crops covered by the quota are wheat, corn, and rice. [passage omitted]

The oil contract purchase quota for oil is to be reduced from 130 million kg last year to 100 million kg. The crops covered by this are rapeseed, peanuts, sesame, and cotton seed. [passage omitted]

The circular stresses that contract purchase is a state task and an obligation of the peasants. It is essential to ensure its fulfillment. Contracts can be signed either with households or with villages. Except for certain households in special difficulties that need the necessary care, the contracts should in general be drawn up in accordance with the land being contracted, with rational burdens for all involved.

The standard for selling the peasants high-quality chemical fertilizer at par is raised from 6 kg to 10 kg for every 100 kg of marketable grain sold to the state, while the corresponding standard for the sale of diesel fuel at par is raised from 3 kg to 5 kg. Such chemical fertilizer and diesel fuel will be specially allocated by the provincial authorities. The grain departments should distribute it to each household in accordance with the purchase contract or the statement of fulfillment of contract. [passage omitted]

BRIEFS

HUNAN PARTY RECRUITMENT -- Last year 71,359 people joined the CPC in Hunan, including 18,000 who had been commended as labor models, advanced producers, and so on in their units. In addition, some 300,000 workers, peasants, intellectuals, cadres, and young students handed in party membership applications. Of the new party members, 62.98 percent are under 35, 92.31 percent have educational standard at and above the level of junior secondary school, and 15,245 are women. [Summary] [Changsha Hunan Provincial Service in Mandarin 2300 GMT 6 Feb 87 HK]

SICHUAN'S YANG RUDAI SPEAKS AT WORK CONFERENCE

HK120241 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 11 Feb 87

[Excerpts] The provincial economic work conference convened by the provincial government concluded on 11 February after 6 days in session. The conference conveyed and studied the spirit of relevant national conferences and relevant central documents. It summed up the province's achievements and experiences on the economic front last year and studied the question of how to make a success of the two major political and economic tasks for this year arranged by the CPC Central Committee and the State Council, which are to deepen the reforms amid the situation of stability and unity, and ensure steady economic growth under the premise of improving economic results. [passage omitted]

The conference proposed that the guiding principle for the province's economic work this year is: While actively and steadily promoting economic construction, compress the overheated atmosphere, increase production and practice economy, increase revenue and economize expenditure, resolutely cut the excessive expansion of investment not covered by the budget, and cut excessive non-productive expenditures; and while increasing and improving total supply, focus on curbing excessive demand, in order to bring general social demand into balance with general supply, so as to create a stable environment for carrying out reforms in depth and for the long-term stable development of the national economy.

The main tasks in the province's economic development this year are: Centered on achieving all-round improvement of economic results, continue to put reform in first place, persevere in opening up to the world and invigorating the domestic economy, work hard in launching a drive to increase production and practice economy, and ensure the steady development of the province's economic and social undertakings.

During the conference, provincial party committee Secretary Yang Rudai spoke on enhancing ideological understanding, fully and correctly implementing the CPC Central Committee's principles and policies, and promoting the development of economic work. Governor Jiang Minkuan spoke on economic reforms and the main issues in national economic development. Vice Governor Ma Lin delivered a summation. [passage omitted]

In his speech, Comrade Yang Rudai gave explicit answers on the relevant economic policies. He stressed that in opposing bourgeois liberalization, the party's economic policies will be carried out still better and will certainly not change.

Will contracting and leasing weaken the socialist economy, and do they mean pursuing liberalization? Comrade Yang Rudai said: Pursuit of bourgeois liberalization is a political concept with a particular meaning. Its core is to negate party leadership. The practice of contracting and leasing is a reform in the internal operational mechanism of socialist state-owned enterprises. There is no question of pursuing liberalization in this issue. To ensure that the enterprises enjoy full vitality, we must appropriately separate ownership and operational powers. We must seriously implement the spirit of the relevant State Council documents and actively promote various forms of contract responsibility systems and leasing. This should be regarded as an important measure for deepening enterprise reforms and invigorating the enterprises.

Will the practice of the plan manager and director responsibility system weaken party leadership? Comrade Yang Rudai said: Socialist enterprises are commodity producers and operators.

This requires that the plant managers bear all-round responsibility in production operations. The managers should boldly exercise their powers. At the same time, they must pay attention to respecting the work of the party organizations and the workers' congresses, and spontaneously accept supervision by the party organizations and the masses. Enterprise party committees must play a guaranteeing and supervisory role centered around implementing the party's line, principles, and policies in their enterprises. They must get a good grasp on party building and do a good job in ideological and political work. In this way the party's leadership can only be improved and strengthened.

Should we still establish and develop capital, production materials, and technology markets? Comrade Yang Rudai said: Since China's socialist economy is planned commodity economy on the basis of state ownership, we should establish and develop various markets, including those for capital, production materials, and technology, perfect the market setup, and bring into play the role of the market mechanism. This is an important task listed in economic structural reform for the Seventh 5-Year Plan. At present, markets of all types in Sichuan are not sufficiently developed. They are very far from meeting the demands of commodity production and exchange. We must certainly not slow down their development or even bring things to a halt. We should actively continue to develop them and continually perfect them.

Will the guiding principle of invigorating the rural economy and the various policies on rural reforms be changed? Comrade Yang Rudai said the central authorities have explicitly announced tha the rural areas will not carry out opposition to bourgeois liberalization. This struggle does not involve economic reform policies and rural policies. The guiding principle of invigorating the rural economy will not change.

Comrade Yang Rudai stressed: At present we must unify our thinking. The cadres at all levels and the party members must take the lead in studying the central documents and the important expositions of the CPC Central Committee, and especially of Comrade Deng Xiaoping, and fully and accurately understand the spirit of the 3d Plenary Session of the 11th CPC Central Committee. While opposing the trend of thought of bourgeois liberalization, we must take practical action to improve our work. Under the premise of upholding the four cardinal principles, we must press ahead with all work such as building the two civilizations, building democratic policies, and so on.

XIZANG PLA STRESSES OPPOSING LIBERALIZATION

HK070221 Lhasa Xizang Regional Service in Mandarin 0100 GMT 7 Feb 87

[Excerpts] The Xizang Military District CPC Committee, organs, and units have recently organized the cadres, fighters, workers, and dependents to seriously study the relevant central documents and press editorials and articles, so as to teach the cadres and fighters to unswervingly uphold the four cardinal principles and take a firm and clear-cut stand in opposing bourgeois liberalization. As a result of this study and discussion, the units have unified their thinking and gained a clear-cut understanding. [passage omitted] During the discussions, the party committees at all levels of the Military District have understood that resolutely opposing the trend of thought of bourgeois liberalization is an urgent and long-term task on the politicdal and ideological front for the whole party, the whole Army, and the whole people. They are resolved to guide the cadres and fighters to struggle to the end against erroneous words and deeds negating the four cardinal principles and against bourgeois liberalization, to maintain a high degree of ideological and political unity with the CPC Central Committee, to step up ideological and political work, and to do a good job in building the units.

XIZANG LEADER SENDS GREETINGS TO PLA UNITS

HK021428 Lhasa Xizang Regional Service in Mandarin 0100 GMT 2 Feb 87

[Excerpts] On behalf of the Military District party committee, Zhang Fengjiao, deputy commander of Xizang Military District, sent to all commanders and fighters of the PLA units stationed in Xizang a Spring Festival greetings message: Adhere to the four cardinal principles and justify the great trust placed in us by the people of our motherland.

The greetings message says: News of victory keeps pouring in to ring out the old year and the continuous noise of firecrackers rings in the new. The triumphant 1986 has passed and we welcome the joyful and elated 1987. On the days when we are happily spending the joyous Spring Festival, on behalf of the Military District party committee and leading cadres and organs of the Military District, I extend festive greetings to all cadres, fighters, workers, their family members, and militiamen of our Military District who are guarding and fighting on the roof of the world, express cordial sympathy and solicitude for the injured and sick comrades, and wish the veteran comrades who have gloriously retired good health and a long life. [passage omitted]

All tasks confronting us in 1987 are even more glorious and arduous. We must regard as a guiding principle the resolution of the 6th Plenary Session of the 12th CPC Central Committee, the relevant documents recently issued by the central authorities, and the spirit of the enlarged meeting of the Military Commission; regard grass-roots building as the center, and carry out well all aspects of work. The Communist Party members of our Army must abide by the party program, party Constitution, and party discipline; adhere to the four cardinal principles; take a clear-cut stand in opposing bourgeois liberalization; and make new contributions toward conscientiously safeguarding the political situation of stability and unity, reform, opening up, the building of two civilizations, and the modernization of our Army. We must unswervingly and continuously implement the line, principles, and policies since the 3d Plenary Session of the 11th CPC Central Committee, adhere to reform and opening up -- a basic policy of our state -- and struggle hard to build a powerful modernized socialist country with Chinese characteristics.

In the year ahead, we must also do well in simultaneously grasping the following several aspects of work:

1. It is necessary to seriously study and implement the spirit of the enlarged meeting of the Military Commission. This is an important task now and for a certain period of time in the future. The party committees of units at and above the regimental level must do well both in studying and conveying the spirit of the meeting.

2. It is essential to strengthen ideological and political work, to do well in grasping the building of spiritual civilization of PLA units, and to become Army members with ideals, morals, culture, and discipline. [passage omitted]

3. It is imperative to vigorously build the grass-roots well. This is the first year that the PLA units of our Military District must vigorously grasp grass-roots building. Party committees and organs at all levels must attach great importance to this work, seriously carry out the plans for grasping grass-roots building, and work hard to score achievements. While grasping grass-roots building, we must do well in sending organ cadres to stay and work in companies.

4. It is necessary to do well in grasping education and training and to improve the military and political quality of PLA units. All units must place education and training above everything else. [passage omitted]

5. It is essential to grasp well the building of leadership groups at all levels. Reform of the structure of the PLA units of our Military District and the streamlining and reorganization work have been completed. Organizations at all levels and of all kinds have been set up. Party committees of units at and above the regimental level must consolidate and develop the fruits of party rectification, strengthen the building of themselves, hold regular meetings on democratic life, conduct criticism and self-criticism, strenghen the unity of party committees, and give play to the core role of the leadership groups.

6. It is imperative to really do well in making joint Army-people efforts to build civilization and to make the relations between the Army and government and between the Army and people closer. [passage omitted]

We must unite as one, blaze a trail, forge ahead, make new contributions toward the building of the PLA units of our Military District and consolidate the border defense, render new meritorious service to make Xizang prosperous and to make the people happy, and greet the 13th party congress and the 60th anniversary of the founding of our Army with practical actions.

In conclusion, I wish all comrades a happy Spring Festival and (Zhaxidele)!

ENACTMENT OF LAND MANAGEMENT LAW URGED IN YUNNAN

HK110651 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 10 Feb 87

[Text] According to a report filed by this station's reporter (Ding Yongsheng), a provincial conference on land work, which concluded in Kunming yesterday, noted: Party and government departments at all levels throughout the province must conscientiously implement the land management law and do well in managing and making use of land according to the law.

The conference noted: Over the past few years, there have been very serious phenomena of arbitrarily occupying cultivated land and arbitrarily using land in our province. According to preliminary investigations, about 35 percent of all the land already checked in our province has been illegally occupied; over 60 percent of all the land already checked in some counties have been illegally occupied. To conscientiously do well in managing and using land, party committees and governments at all levels must attach great importance to this and further promote the work of checking on nonagricultural land. Governments at and above county level must establish or perfect as quickly as possible independent, centralized, and unified organizations for land management. At the same time, all areas throughout the province must carry out, in a down-to-earth manner, activities of publicizing the land management law, enable the masses to deepen their understanding of the basic national policy on using every inch of land economically and rationally and on conscientiously protecting cultivated land, establish the good social practice of everyone treasuring and economizing on land and everyone using land according to law, and resolutely and seriously handle according to law all cases that involve violations of the land management law.

BEIJING TO ENCOURAGE MORE FOREIGN INVESTMENT

OW111120 Beijing XINHUA in English 1054 GMT 11 Feb 87

[Text] Beijing, February 11 (XINHUA) -- China's capital will keep its door wide open to foreign investors while carrying on the struggle against the trend toward bourgeois liberalization, a municipal official told XINHUA today.

The struggle against bourgeois liberalization is now being carried out within the Communist Party and can only serve to create a more favorable climate for attracting in a systematic manner foreign funds and technology to help speed China's modernization.

Zhang Ming, deputy director of the municipal Commission for Foreign Economic Relations and Trade, said during an interview with XINHUA that China wants to import advanced technology, managerial experience and funds and "such international cooperation will benefit both sides."

Zhang said many foreign investors told the commission that "complete Westernization" in China is impossible because the country's 5,000-year-old civilization has created many traditions which are hard to break.

"Only when advanced scientific findings have been properly combined with the best of traditional Chinese culture, can a new civilization suitable for China's development be created."

The past year saw a surge in the influx of foreign investment into Beijing. The total value of contracts signed with foreign businesses reached 980 million U.S. dollars, of which 420 million U.S. dollars is direct foreign investment -- nine percent up over the 1985 figure.

On the future development, the official said that the city would make sure regulations for encouraging foreign investment benefit every enterprise involving foreign capital.

To improve the investment climate, the city government has set up special offices to facilitate the operation of foreign funded enterprises. The foreign exchange control bureau plans to grant 13.97 million U.S. dollars to 12 joint ventures and helped exchange 7.5 million U.S. dollars among joint ventures.

The Bank of China also offered them foreign exchange mortgages totaling 15.82 million yuan.

Now 35 enterprises using foreign capital have received certificates which acknowledged them as being technically advanced and that their products are export-oriented.

Of the 190 approved foreign investment projects 72 are in operation. And more than 90 percent of them have had good returns, the official said.

The city should pay greater attention to developing industrial items, he said. It will increase loans and carry out more flexible forms of foreign trade such as processing imported materials for export.

COUNTERREVOLUTIONARY CRIMES DEBATED IN SHANXI

HK080241 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 7 Feb 87

[Text] On 7 February, the provincial party committee held a telephone conference of prefectural, city, and county party committee secretaries in charge of political and legal work, prefectural commissioners, mayors, secretaries general, political and legal commission secretaries, and responsible persons of political and legal departments, to report on recent counterrevolutionary crimes in the province. The meeting demanded that the province enhance vigilance, take steps to organize full mobilization and continuous combat, and resolutely strike down the arrogance of counterrevolutionary criminal activities. Zhang Jianmin, secretary of the political and legal commission of the provincial party committee, presided. Wang Jiangong, deputy secretary of the provincial party committee, made a speech.

The meeting pointed out: Following the urgent 8 January meeting of prefectural and city public security section chiefs and the 21 January forum of leading cadres of the provincial political and legal system, the party committees, government, and political and legal departments at all levels organized prompt conveyance of their spirit and intentions. On the basis of studying the relevant central documents, we have enhanced awareness of struggling against counterrevolutionary crime. During the Spring Festival, several tens of thousands of political and legal and public security cadres and police, armed police, security cadres, and security personnel stood at their posts day and night in the frontline of the struggle against the enemy, thus ensuring excellent social order during the fesitval.

However, we must clearly realize that the tasks facing us in the struggle against counterrevolutionary criminal activities remain very arduous. At present enemy activites pose quite a serious threat in some parts of the province, and the struggle is quite sharp. The struggle to crack down on hostile elements is a serious political struggle. It is extremely essential to uphold the people's democratic dictatorship and crack down heavily and swiftly, according to law, on hostile forces and elements that sabotage the socialist system. The meeting emphasized the following views:

1. The party committees at all levels must further enhance ideological awareness and genuinely enhance awareness of the struggle against counterrevolutionary sabotage activities. In the face of the powerful people's democratic dictatorship, a very small number of counterrevolutionaries are daydreaming if they think they can overthrow the socialist system and embark on the capitalist road. But we must certainly not underestimate their menace. If we relax the struggle against counterrevolutionary sabotage activities, the enemy will become more and more rabid, and this is bound to threaten the political situation of stability and unity and interfere with reform, opening up, and the progress of socialist modernization. This struggle is a major issue of right and wrong over whether to uphold or negate the four cardinal principles. We must raise our understanding to this plane.

2. We must step up detection work and deal resolute blows at the arrogance of the hostile elements. The first thing is to dig out the criminals and decide on the targets for attack. Every comrade must establish a lofty sense of political responsibility and sense of urgency of the task, and further take effective measures to get a thoroughly good grasp of detection work. We must immediately organize and assign a strong detective force and ensure that this force is sufficiently able and strong. Efforts must be concentrated on cracking major cases. We must display the spirit of fighting continuous combat and work hard with great skill in tackling cases.

We must fully mobilize and rely on the masses, develop extensive sources of clues, and teach the cadres and masses to develop a sense of political responsibility in helping to crack cases. They must eliminate the muddled idea that such cases have nothing to do with them. In the course of tackling cases, the public security departments must pay attention to closely integrating their specialized work with the mass line, and mobilize the masses to provide clues. We must carry out careful and deep-going ideological and political work on people with inside information. Regarding elements whose participation in crime is proven, we must proclaim the situation and the policies, launch a political offensive, and let them know that they must take the road of spontaneously making a clean breast of things.

We must clear away interference and handle things according to law. We must resolutely clear away all kinds of interference from factionalism, relationships, protectors, and so on. No matter who is involved in a case, it is essential to investigate and handle it according to law. Everyone who breaks the criminal law must be severely dealt with according to law, without the slightest weakness. Still less can the law be disregarded. We must organize coordinated efforts and superior forces to fight a general assault.

3. We must strengthen precautionary measures against criminals and strive to improve the prevention and curbing of counterrevolutionary sabotage activities. It is first necessary to conduct appropriate ideological education for the masses, to enhance thir spontaneity to uphold the line, principles, and policies since the 3d Plenary Session of the 11th CPC Central Committee, and ensure that they will uphold the four cardinal principles, oppose bourgeois liberalization, and uphold the dignity and authority of the CPC Central Committee.

At present, all localities and departments must concentrate on organizing the masses to seriously study the NPC Standing Committee decision on stepping up legal education and preserving stability and unity. This decision must be conveyed to all the millions of households and everyone must know about it. We must truly enhance the masses' spontaneity to observe discipline and the law and raise their political awareness and ther spontaneity to struggle against counterrevolutionary criminal activities.

Second, we must further strengthen grass-roots and basic work. All factories, mines, enterprises, and internal units [neibu danwei] must establish security and protection systems, put them on a sound basis, and strengthen them. The security organizations in rural areas and neighborhoods must be consolidated, perfected, and systematized. All security and protection organizations must be urgently mobilized to carry out their work. The party and government organs at all levels and the vital departments and commissions must improve their [words indistinct] security systems, strictly register visitors, organize night patrols, and so on. They must block every loophole. In particular, attention must be paid to anticriminal precautions on Sundays and holidays.

Third, the cadre congresses [ganbu dahui], workers' congresses, and village congresses in the factories, mines, organs, schools, and rural areas must take action and genuinely mobilize the masses to take part in this struggle.

4. We must strengthen leadership and firmly keep the initiative in the struggle against the enemy. The party committees and government at all levels must place the struggle against counterrevolutionaries in an important place on their agenda and devote great effort to grasping it really well. In particular, the party committees and government in places where major cases have occurred must organize special leadershsp groups, with the principal leading comrades, personally participating, commanding, and organizing things.

We should establish a responsibility system by which the leaders take charge of cases and responsibilities are mapped out for each person.

We must regularly study the enemy trends and the progress of the struggle. We must do a good job in forecasting enemy moves and take appropriate action to deal with the problems. We must promptly sum up and popularize good experiences and methods in the struggle, grasp positive and negative typical examples, and commend those cadres and policemen who have gained outstanding merit in the struggle.

In conclusion, the meeting demanded that the party committees at all levels, guided by the spirit of the central documents, brace their spirits, step up their efforts, fight a continuous battle, uphold the people's democratic dictatorship, and resolutely fight well the tough struggle against counterrevolutionary sabotage activities.

TIANJIN STANDING COMMITTEE MEETING OPENS

SK120353 Tianjin City Service in Mandarin 0030 GMT 12 Feb 87

[Text] The 32d Standing Committee meeting of the municipal People's Congress opened on 11 February. Zhang Zaiwang, chairman of the municipal People's Congress Standing Committee, presided over the meeting.

Committee members present at the meeting studied and discussed the decision of the NPC Standing Committee on strengthening legal education to maintain stability and unity. They unanimously held that this decision is an important teaching material on the legal system for the people throughout the country which takes the Constitution as its core, and a powerful weapon for the current campaign to uphold the four cardinal principles and to oppose bourgeois liberalism. Implementing this decision is of great significance in safeguarding and developing the stable and united political situation, and the smooth progress of reform, opening to the outside world, invigorating the economy, and the socialist modernisation drive.

At the meeting, Chairman Zhang Zaiwang pointed out: Studying and implementing the decision are the main items on the agenda of this meeting and the basic tasks for a considerably long period in the future. This year, we should organize cadres at all levels, young people, students, workers, and intellectuals to study the Constitution and this decision. Along with the study of basic Marxist theory, we should understand and master the Constitution and the decision from the perspective of the proletarian world.

The meeting participants heard and discussed a report by Shi Jian, vice chairman of the municipal People's Congress Standing Committee, on the elections of the next People's Congress Standing Committees at and below the district and county levels.

Bai Hua, Li Zhongyuan, Zhao Jun, Liu Zengkun, Xu Ming, Han Tianyao, and Yu Fujing, vice chairmen of the municipal People's Congress Standing Committee, attended the meeting.

The meeting will continue today.

HEILONGJIANG MEETING VIEWS PARTY RECTIFICATION

SK110500 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 10 Feb 87

[Text] On the afternoon of 10 February, the commission for guiding the party rectification work of the provincial party committee held its 15th plenary meeting. The participating members affirmed the achievements in the previous party rectification work of our province, summed up the on-going village-level party rectification, and made arrangements for the next step of the province-wide party rectification. So far, party rectification at the provincial, prefectural, county, and township levels, and at urban grass-roots enterprises and establishments, and neighborhoods has been completed. Taken as a whole, party rectification throughout the province has been successful. The overwhelming majority of the units have fulfilled the four basic tasks for party rectification comparatively well, and have basically reached the five standards of the appraisal. The present village-level party rectification is drawing to an end. Among the 18,800 or so party branches participating in the village-level party rectification, some 14,800, or 88 percent, have finished the work. The village-level party rectification of the province is expected to complete by the end of February.

During the village-level party rectification, rural party branches, firmly grasping the basic guiding ideology for the village-level party rectification, and following the principle of solving problems without creating chaos, have comprehensively fulfilled the four tasks for party rectification while giving prominence to priorities. Compared with the previous group, their achievements were more noticeable, and the development of their party rectification was healthy. During the village-level party rectification throughout the province, more than 9,400 law and discipline violation cases involving embezzlement, theft, and bribery have been discovered through investigations.

Although the village-level party rectification of our province is drawing to an end, its tasks remain arduous. Judging from the situation of the province as a whole, 10 percent of the units participating in the village-level party rectification have carried out this work ineffectively. County and township leaders should go deep into these units to help them solve their problems and, at the same time, take remedial measures to deal with the persons who have not taken part in party rectification. We should correct the over-lenient or over-stict phenomena emerging in organizational measures or party member registration. With regard to the party members against whom organizational measures have been taken, we should conduct a reexamination according to policies to prevent any over-lenient or over-stict phenomena. The units which have tried to catch up with the party rectification schedule by quickening their pace but have resulted in perfunctoriness should take remedial measures to make up for what they have missed. Concerning the problems left over by the previous groups, party commitees and party rectification offices at various levels should concentrate their efforts to solve them within a fixed period of time. Prefectural, city, and county party committees should supervise and urge the departments concerned to thoroughly conclude the pending cases which have been transferred to procuratorates or discipline inspection commissions. Party organizations at all levels should make a conscientious reexamination on those against whom organizational measures have been taken, and make a correction once they discover the measures are improper so that no sequelae will be created. Strict measures should be adopted to deal with those who knowingly make trouble.

The meeting urged party committees at all levels to strengthen leadership, continue educating party members in the four cardinal principles, and fulfill the various party rectification tasks successfully.

HEILONGJIANG FORUM NOTES LEGAL SYSTEM EDUCATION

SK110745 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 10 Feb 87

[Excerpts] This morning, the Political and Legal Commission of the provincial party committee held a forum for the responsible persons of the provincial political and legal departments and the people from the law circles to study and discuss the NPC Standing Committee's decision on strengthening the education on the legal system and maintaining stability and unity.

Wei Zhimin, vice chairman of the provincial People's Congress Standing Committee, was the first to speak at the forum. He pointed out that the NPC Standing Committee's decision on strengthening education about the legal system and maintaining stability and unity is an important document aimed at developing socialist democracy and strengthening the socialist legal system. He stressed that through the education, we should enable the masses of cadres and people to enhance their sense of respect for the Constitution, and their sense of the way they are expected to conduct themselves as citizens, which are the powerful legal and ideological weapons for upholding the four cardinal principles and opposing bourgeois liberalism. [passage omitted]

Zhang Li, president of the provincial court; Jia Chengwen, chief procurator of the provincial procuratorate; and Du Dianwu, director of the provincial Public Security Department, spoke on the plans of their own units to be carried out on the basis of their specific situations.

Bai Jingfu, Standing Committee member of the provincial party committee and secretary of its political and legal commission, presided over the forum. Zhou Wenhua, deputy secretary of the provincial party committee, spoke. He called on persons in charge of legal work to study well the NPC decision, educate the masses, youths in particular, to carry out their activities within the scope prescribed by the Constitution, and wage a resolute struggle against the acts which violate the Constitution and laws.

JILIN SECRETARY OPPOSES BOURGEOIS LIBERALISM

SK110647 Changchun Jilin Provincial Service in Mandarin 2200 GMT 10 Feb 87

[Excerpts] On 6 January, the Propaganda Department of the provincial party commitee, the provincial Federation of Social Science Societies, the (?Provincial Federation of Press Organizations), the provincial Federation of Literature and Art Circles, and the Jilin branch of the Writers Association invited some 60 experts, scholars, and responsible comrades from the ideological, theoretical, cultural, educational, press, and publishing circles in Changchun to a forum on upholding the four cardinal principles and opposing bourgeois liberalism.

Comrades Gao Di and Wang Zhongyu attended and addressed the forum. Comrade Gu Changchun presided over the forum.

Participants to the forum aired their views freely during their discussions on how to comprehensively and accurately understand and master the guidelines of the party Central Committee's instructions on upholding the four cardinal principles and opposing bourgeois liberalism, and how to persistently and soundly carry out this struggle against bourgeois liberalism in line with the actual conditions in the political and ideological fields of our province.

Many comrades pointed out in their speeches: The struggle to oppose bourgeois liberalism has a bearing on whether or not the line, principles, and policies adopted since the 3d Plenary Session of the 11th CPC Central Committee can be carried out correctly and persistently, and on the destiny of the party and state, and the future of the socialist cause. Engaging in bourgeois liberalism and negating the socialist system and party leadership mean to change the party's line adopted since the Third Plenary Session.

They said: Reform, opening to the outside world, and enlivening the domestic economy are an unshakable national policy, and should be adhered to on a long-term basis. However, we are opening ourselves to the outside world amid an international environment in which capitalism exists, and the bourgeois ideology stubbornly tries to assert itself. Therefore, the decadent capitalist culture and ideology will unavoidably infiltrate into us. Representatives of the foreign bourgeoisie have the very hope that China would be engaged in bourgeois liberalism. Because the present productive forces and people's living standards of our country still lag considerably behind developed capitalist countries, there are always some people who think that socialism is inferior to capitalism, and the ideological trend of bourgeois liberalism still has a certain market. For this reason, not only reform and opening to the outside world but also the struggle against the ideological trend of bourgeois liberalism are long-term tasks. [passage omitted]

Comrade Gao Di stressed in his speech: The kernel of the purpose of bourgeois liberalism to negate socialism and advocate capitalism is to negate party leadership. This struggle is vital to a major issue of right and wrong -- where China should go. China shoud follow the socialist road, and the leadership of the Communist Party is necessary for developing socialism. This is a conclusion reached through more than 6 decades of struggles, which brooks no doubt and vacillation. If we let bourgeois liberalism go unchecked, we are liable to take the road back. People throughout the country will not tolerate this.

He said: We should correct our political orientation within 1 year. At present, we should focus our attention on study in order to raise our awareness in upholding the four cardinal principles. We should criticize the erroneous speeches of Fang Lizhi, Wang Ruowang and Liu Binyan, and eliminate their influences. We should not subject everyone to self-examination, nor should we let everyone pass the examination.

He concluded: Through persistent and sound struggle to oppose bourgeois liberalism, we will be able to implement more correctly and more comprehensively the line adopted since the 3d Plenary Session of the 11th CPC Central Committee, our country and Jilin Province will become increasingly better, and our socialist cause will become over prosperous and developed.

Others speaking at the forum were (Zhang Fengru), Dong Su, Guan Mengjue, (Hu Shaofu), (Wang Ken), (Wang Ye), (Liu Shuming), (Liu Guang), (Wan Xin), (Zhu Riyao), (Gao Qinghai), (E Hua), (Wang Jiayi), (Ye Hongbin), and (Zhu Wencai).

JILIN ESTABLISHES FIRST FINANCIAL GROUP

SK120213 Changchun Jilin Provincial Service in Mandarin 2200 GMT 11 Feb 87

[Text] The Songjiang Financial Group in Jilin city, the first joint financial organization between banks and enterprises in the province, was formally established and put into operation on 10 February. The office of the financial group was installed at the Songjiang branch of the Jilin City Industrial and Commercial Bank.

The group was organized on a voluntary basis by the large and middle-sized key enterprises throughout the province, including the Jilin Alloy Plant, the Jilin Carbon Plant, the Jilin Paper Mill, the Songjiang Cement Plant, the Xinzhongguo Sugar Refinery, and the Jilin Chemical Fiber Plant. The financial group is a joint-stock unit with an independent character and enforces the principle of mutually sharing profits and losses.

Tasks imposed on the financial group are to organize loans among enterprises by raising or collecting funds, to participate in money markets, to carry out information service, and to readjust the balance between material surplus and shortage in order to enliven the enterprises, to promote production growth, and to enhance the competitive capability of enterprises.

On the first day, the financial group received 11.5 million yuan of fund deposits and lent 7.5 million yuan to the plants that urgently needed funds, including the Jilin Alloy Plant, the Jilin Chemical Fiber Plant, and the Songjiang Cement Plant.

LIAONING HOLDS UNITED FRONT WORK MEETING

SK110508 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 10 Feb 87

[Text] The provincial United Front Work Conference and the provincial experience-exchange meeting on CPPCC work simultaneously opened in Shenyang City on the morning of 10 February. Liu Qingkui, director of the United Front Work Department under the provincial party committee, delivered a report on the occasion, in which he put forward the province's major united front work in the future.

In his report, Liu Qinghui reviewed the united front work achievements scored in serving the program of building the two civilizations, fostering unity and cooperation between the Communist Party and various democratic parties and personages of various social circles, implementing the policies, carrying out friendly contacts with Overseas Chinese, and in enhancing unity among various nationalities. He contended that our province has brought about a vigorous and flourishing situation to the united front work, which has been in its best period since the founding of the PRC. He stressed that the patriotic united front of the new historic period will exist for a long period and the united front work under the new situation will become more important. Therefore, it is imperative to foster a new concept suitable to the work in the new historic period.

Liu Qinghui emphatically pointed out: The province's major tasks of united front work in the future are as follows: In line with the general target of reunifying the motherland and making China prosperous, efforts should be made to unite with the people of various nationalities throughout the province, with various democratic parties, with the mass organizations concerned and nonparty people, and with the broad masses of compatriots in Taiwan, Hong Kong, and Macao as well as Overseas Chinese, to serve the implementation of the policy on one country with two systems. Efforts should be made to carry forward the patriotic tradition of the united front and its strong point of being a think-tank to serve the drive to conduct reforms, to enforce the policy of opening to the outside world, and to build socialist material and spiritual civilizations. Effort should be made to improve and develop the multiple party cooperation under the CPC leadership to serve the program of building socialist democracy and legal systems. Efforts should be made to uphold the four cardinal principles by taking a clear-cut and firm stand and to oppose bourgeois liberalism in order to make contributions to further expanding the patriotic united front and safeguarding the political situation of stability and unity.

Lui Qinghui also put forward his opinions of how to fulfill the tasks mentioned above and how to do a good job in conducting the united front work under the new situation, in which he pointed out: Efforts should be made to enhance the work concerning the affairs of various democratic parties and the cooperation between the party and nonparty people and to do a good job in conducting the united front work among nonparty intellectuals and grass-roots level units. A good job should be done in continuously conducting the work concerning religious and nationality affairs.

In referring to the issue of how to enhance the building of united front work departments and of the contingent of personnel in charge of the united front work, he pointed out: The professional ethics of the United Front Work Department and of their cadres is that efforts should be made to be good at uniting or cooperating with nonparty people, being amiable and easy to approach, conducting democratic consultation, and at correcting the malpractices of factionalism, bureaucratic work style, [words indistinct], and of having a superior attitude over other people.

The provincial United Front Work Conference and the provincial experience-exchange meeting on CPPCC work are aimed at studying the new situation in the united front and CPPCC work, exchanging the new experience, defining their guiding principles, and at making work arrangements for the future. Sun Qi, deputy secretary of the provincial CPC Committee attended the conference and meeting. Attending the opening ceremony of the conference and meeting were leading comrades from the provincial People's Congress, the provincial people's government, the provincial CPPCC Committee, democratic parties, and from the mass organizations and units concerned.

Wu Liaoyuan, deputy head of the Central United Front Work Department, also attended the conference and meeting.

LIAONING SEPARATING GOVERNMENT FROM BUSINESS

OW100938 Beijing XINHUA in English 0921 GMT 10 Feb 87

[Text] Shengyang, February 8 (XINHUA) -- Liaoning Province, one of China's industrial bases, has leased, issued shares and even auctioned off hundreds of small commercial businesses in a bid to improve their performance. As a result more than a quarter of all the small state business units, 673 in all, have come under new management, said officials.

Officials said, 604 businesses have been leased and are now being run by individuals, collectives, groups of people or larger businesses showing better performances.

While ensuring the state remains the owner of the businesses, the leasing program has separated the government administration from business management which has improved their profits and contributions to society.

The three auctioned shops, which were small businesses, have become profitable, according to officials. They operated with little profit or were running a deficit before.

Officials said 71 small businesses have issued shares to factory employees that have attracted some 7 million yuan (189,000 U.S. dollars) for capital expenditures. While the state still remains the major shareholder in these factories, the shares issued to employees tie their pay to performances. The new capital has also enabled businesses to expand, said officials.

XINJIANG URGES INCREASED PRODUCTION, ECONOMY

HK101009 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 9 Feb 87

[Text] At a conference on arrangements for production held today, the regional economic commission demanded that all industrial and communications enterprises in the region really put quality and economic results above everything else from the beginning of this year, extensively launch a mass drive to increase production and practice economy, and do their best to improve economic results.

Due to New Year's Day and the Spring Festival holiday, the region's industrial output value for January amounted to only 585 million yuan, failing to attain the target.

The conference demanded that all responsible departments and enterprises earnestly strengthen leadership over industrial and communications production and arrange production in strict accordance with the target. Enterprises that turn out products to support agriculture in particular must mobilize the vast numbers of workers to develop production in high gear and make more contributions to winning a bumper harvest for 10 years in succession.

Power supply departments must do their best to tap their potential to produce and supply more electricity so as to ensure power supplies for the production of light and textile industrial products, of short-term products, and of products for supporting agriculture.

The conference stressed that increasing production and practicing economy and increasing income and reducing expenditure are the central tasks of economic work. All enterprises must adhere to the policy of plain living and hard struggle and developing all causes with industry and thrift, so as to increase workers' sense of being their own masters and of increasing production, practicing economy, and making more contributions.

All enterprises must put the focus of increasing production and practicing economy on developing marketable new products; must take effective measures in management, systems, and technology to reduce consumption of energy and raw materials and management costs; and must attain the target of increasing income, reducing expenditure, and improving economic results by launching a mass drive of increasing production and practicing economy.

COUNCIL SETS 16 PRIORITY CONSTRUCTION PROJECTS

OW120435 Taipei CNA in English 0236 GMT 12 Feb 87

[Text] Taipei, Feb 11 (CNA) -- The Council for Economic Planning and Development Wednesday selected 16 public construction projects on a priority basis in order to boost the nation's public investment and to meet the needs for the overall social and economic development.

Planning works are expected to be completed within one year. Funds for the projects will be earmarked in the Fiscal 1988 national budget.

The 16 projects are:

-- Conversion of coal-burning power plants adjacent to metropolises to the alternative use of natural gas;

-- Expansion of liquefied gas reception stations;

-- Dredging of Tali River in central Taiwan;

-- Water conservancy and irrigation at the upper stream of the Chuoshui River;

-- Construction of Ma An and Lung Pao reservoirs;

-- Studying the feasibility of building a high-speed railway along Taiwan's west coast;

-- Studying the feasibility of constructing a Taipei-Suao freeway;

-- Construction of a second freeway in central and southern Taiwan;

-- Mass rapid transit system in Kaohsiung;

-- Highway communication systems in Taipei, Taichung, Tainan and Kaohsiung metropolises;

-- Cement industry area in eastern Taiwan;

-- Deep-water ports development projects;

-- Establishment of a Kuanyinshan scenic park;

-- Construction of eastern coast scenic area;

-- Drainage system in Kaohsiung metropolis; and

-- Studying the feasibility of developing a "science city" in Hsinchu.

HONG KONG

SUBCOMMITTEE MEETS TO DISCUSS FUTURE SYSTEM

OW121118 Beijing XINHUA in English 1102 GMT 12 Feb 87

[Text] Kunming, February 12 (XINHUA) -- The subcommittee on Hong Kong's future political system under the Hong Kong Basic Law Drafting Committee met here today to discuss judicial organs, regional organizations and civil servants.

Three other subcommittees, one dealing with the relationship between the central authorities and Hong Kong; another on education, science, technology, culture, sports and religion; and still another on Hong Kong residents' basic rights and obligations, will also meet in this "city of eternal spring."

In the next few days, they will discuss certain questions or draft articles for the Basic Law.

According to members of the subcommittee on Hong Kong's political system, they today discussed the definition of Hong Kong civil servants, the treatment of retired civil servants and regional organizations.

The Basic Law Drafting Committee, formed in 1985, has had three full sessions. The fourth session is scheduled for this April.

PRC UNDERLINES 'PRIMACY' OF BASIC LAW

HK120313 Hong Kong SOUTH CHINA MORNING POST in English 12 Feb 87 p 1

[By Stanley Leung in Kunming]

[Text] China's insistance on the primacy of the Basic Law was underlined yesterday in a warning by a senior Chinese official, Mr Lu Ping, that unless political reforms introduced in Hong Kong complied with the system in the Basic Law, such changes would be "overruled" after 1997.

Mr Lu, the deputy secretary-general of the Basic Law Drafting Committee, said the final draft of the Basic Law promulgated in 1990 would be the official version.

He said its contents could not be confirmed until the final draft was endorsed by the National People's Congress -- China's parliament.

"What is discussed before that should not be treated officially."

He said the view of the people of Hong Kong on direct elections was divided and therefore a decision should not be made in haste.

If political reforms were introduced and the percentage of directly elected elements in the legislature, if any, differed from that laid down in the Basic Law, these reforms might eventually be negated.

"We will be back to square one," said Mr Lu, who is also secretary-general of the Hong Kong and Macao Affairs Office.

The first draft of the Basic Law due to be prepared this year could not be used as a guide in attempting to make compatible reforms.

The Hong Kong Government before June will release its Green Paper reviewing options for political change.

Mr Lu was speaking in Kunming on the eve of a three-day meeting of the Drafting Committee's political structure sub-group.

On the controversial question of the introduction of direct elections, he said such a move depended on public opinion.

Mr Lu quoted a SOUTH CHINA MORNING POST survey as saying that not many people were interested in direct elections.

He conceded, however, that political reforms could be introduced before 1990 provided there was consensus among Hong Kong people.

Mr Lu said China's stance on the issue was that people from different parts of the community should make their views known and these views had to be consistent.

"It now appears that views are divided. We should not rush to an early conclusion on that," adding that there could be no quick conclusion on the Basic Law.

Mr Lu was also asked to respond to a British law, "The Colonial Validity Act", which states that the Hong Kong legislature could have real legislative power if at least half of its members were elected.

He said China was aware of this law during the Sino-British negotiations over Hong Kong's future, which ended in late 1984.

The issue, however, was never discussed at the meeting table.

The political structure sub-group meetings also would avoid such controversial issues as the selection of the legislature, executives and chief executive, due to the divergence of views.

The mainland co-convenor of the sub-group, Mr Xiao Weiyun, said his report regarding preliminary clauses of this part would not be ready for discussion in this series of meetings.

His information indicated, however, that views were divided and people should work together to sort out the problems.

A resolution had to be achieved by Hong Kong people themselves, instead of a vote in the sub-group.

Another co-convenor, Mr Louis Cha, said the current meeting only dealt with three major issues: the judiciary, civil service and district administration.

Preliminary clauses had been compiled by Mr Justice Simon Li, Mr Szeto Wah and Miss Maria Tam.

Five Chinese members are absent from the meeting -- Mr Li Lou, Mr Mao Junnian, Mr Xu Chongde, Mr Zhang Youyu and Mr Xiang Chunyi.

XU JIATUN WELCOMES GOVERNMENT APPOINTMENTS

HK120257 Hong Kong SOUTH CHINA MORNING POST in English 12 Feb 87 p 2

[Text] China's top official in Hong Kong yesterday welcomed the appointment of former Political Adviser Mr Robin McLaren as the new leader of the British team for the Joint Liaison Group, saying he was an old friend of China.

The director of the NEW CHINA NEW AGENCY, Mr Xu Jiatun, said changes of the membership in the British side would not affect the work of the group because the newcomers were familiar with the affairs of China and Britain.

"I believe they will deliver their duties comfortably," he said. He also welcomed the appointment of Sir David Akers-Jones as the special adviser to the governor.

"This is a very good appointment by the new governor and the Hong Kong Government and should be welcomed," he said.

Mr Xu was speaking to reporters at a spring reception hosted by his office for community leaders. Mr Xu said he had been informed of the appointment of Mr Donald Liao, the secretary for district administration, to the group.

Mr Liao holds a British Dependent Territory Citizen passport, while his predecessor, Mr Eric Ho, was granted full British citizenship after the Chinese had insisted that a Hong Kong citizen should not have a say in diplomatic talks between China and Britain.

Mr Qiao Zonghuai, a member of the Chinese team to the group, said the fact that no objection had been voiced should be viewed in the context of the expanded relationship between China and Britain.

Meanwhile, Mr Xu told the reception that Hong Kong had achieved a lot in various aspects during the past year.

"This came as a result of Hong Kong people meeting various challenges with an active spirit and flexibility."

JOURNAL DISCUSSES DIRECT ELECTIONS, REFORMS

HK111436 Hong Kong CHING PAO in Chinese No 2, 10 Feb 87 pp 10-13

[Article by Ku Hsing-hui (0657 2502 6540): "Noise Produced Following the Announcement of the New Hong Kong Governor" -- first paragraph is CHING PAO introduction]

[Text] The writer pointed out that the previous stage's publicizing of "returning the government to the people" has now entered a period of a "secret rendezvous between lovers." [paragraph continues]

The objective is to turn the Hong Kong governor-controlled Legislative Council into a "popularly-elected Legislative Council." This represents a drastic change in the Hong Kong political system, and the aim is to create, while still under British rule, an established structure of representative government for the post-1997 government of the special administrative region to accept.

At a time when major personnel changes have occurred on the mainland, great personnel changes have also occurred in Hong Kong. David Wilson was appointed Hong Kong governor and Dick Clift was appointed political advisor. Moreover, there have been changes in 10 administrative positions at the secretary and department levels. The effect of the personnel changes in Hong Kong will be considerable.

Something Quite Unusual Emerges Before the New Governor Takes Office [subhead]

Something quite unusual has emerged in the period before David Wilson will arrive in Hong Kong. In the Executive Council, Lydia Dunn and others were previously opposed to the appointement of a diplomat with China experience as the Hong Kong governor. They vigorously favored the appointment of a higher-ranking official as the Hong Kong governor and said that "there is already such a competent person in Hong Kong." Obviously, when London was selecting a new governor, these people influenced public opinion in the hope of knocking out David Wilson because he is a China expert with the rank of an assistant under secretary. Later, when London appointed David Wilson, Lydia Dunn immediately changed her tune. She welcomed the new Hong Kong governor with 10-fold enthusiasm, praising him for "wisdom, decisiveness, and remarkable ability." Whether these words came from the bottom of her heart is not known.

What is most intriguing is that the SOUTH CHINA MORNING POST, which has always reflected the intentions of Hong Kong's senior circles, hurriedly released a news report saying that David Wilson had no intentions of serving as governor for more than 5 years and that he would select a Chinese to succeed him as Hong Kong governor in the early 1990's. This news reflected the desire of some people in the Executive Council. However, David Wilson immediately authorized a spokesman for the Hong Kong Government to refute the rumor, pointing out that the report was entirely groundless. Later, to avoid arousing suspicion, Lydia Dunn and others appeared personally to "welcome the Hong Kong governor to work for a term of office of more than 5 years."

However, unusual things continued to happen. Pentaprism, a program of the television department of Radio Television Hong Kong, directed by a high-ranking officer of the Haddon-Cave faction, embarrassed David Wilson by revealing the fact that when he was MacLehose's political advisor, Britain betrayed her Hong Kong "subjects" by approving the nationality act. Later, in keeping with this tone, those who favored speeding up direct elections successively came forward to exert pressure on David Wilson, talking at great length about the need to protect the interests of the "subjects." This was apparently a prelude to playing the "popular card."

Later, some people held that the Chinese translation of David Wilson's name must be changed. It would be better if it were changed to "Wei I-hsin [7279 0076 0207]." "Hsin" means keeping the promise which the British homeland has made to its "subjects."

Some people even resorted to the practice of analyzing the component parts of a Chinese character. They said: The character "wei [7614]" means that "a good girl has become the next door neighbor to a devil;" the character "te [1795]" means that, with two people having 14 hearts, it will be more chaotic than the Warring States period that took place between 475 and 221 B.C. [paragraph continues]

The character "wei [1550]" means that the situation is so dangerous that it is impossible to make a forecast. These are terms with which swindlers earn their living. By giving a strained intepretation and frightening people, they wanted David Wilson to be "obedient."

Secretly Planning the "Return of the Government to the People" [subhead]

In fact, the Chinese translated name is not important. What is important is that some people want to lead Wilson by the nose. The publication of the green and white papers on representative government will be the most important job of the Hong Kong Government in 1987. The Green Paper will be published next April or May, by which time Wilson will have just arrived in Hong Kong to take up his post. In fact, by that time Alan Scott and John Chan will have completed the plan for Green Paper on representative government.

Some people have spread the news that the Hong Kong Government intends to set up a special department to take care of the development of the political structure, which will no longer be under the deputy chief secretary. The department will be responsible for reviewing the political system, collecting and judging popular opinion after the Green Paper is made public, and drafting and working out the White Paper. In the next few years, the Hong Kong Government plans to spare no effort to push forward the devlopment of the political system and to set up a "popularly-elected Legislative Council."

The whole plan is to prepare for "returning the government to the people."

The open publicity about "returning the government to the people" at the previous stage has now entered a period of a "secret rendezvous between lovers." It turns out that, according to British colonial law, if half of the seats of the Legislative Council of the colonial government are elected by the residents, the Legislative Council can become a Legislative Council of the representative government, and the legislative rights of the governor can be shifted to the Legislative Council. In April 1985, the Hong Kong Government passed the "Legislative Council's Power and Privilege Bill." The bill increased the number of elected seats, which accounted for 42 percent of the total number of seats. If, in the 1987 review of the political system, the number of elected seats is increased by several seats, it will be possible to change the Hong Kong political structure.

The change from a Legislative Council under the control of the Hong Kong governor to a "popularly-elected Legislative Council" represents a drastic change in the Hong Kong political system. Previously, a convener of the lawmaking group of the Legislative Council put forward a suggestion that the review of the political system should include the question on the Hong Kong governor no longer serving as chairman of the Legislative Council, which means effecting a fundamental change.

The aim of this change is to create, while still under British rule, an established structure of representative government for the post-1997 government of the special administrative region to accept. Such linking in the political structure means, in fact, that the representative government leads the Basic Law. According to the Sino-British agreement, Chinese sovereignty should be realized through the Basic Law. If the British side should do this, it shows that it wants to make Chinese sovereignty exist only in name.

Will the Chinese Government be so barefaced as to let foreigners lead it by the nose? People with common sense will be able to make this judgement. In December 1987, the Basic Law Drafting Committee will be able to work out the draft political structure for the future special administrative region. Only when we have this draft can we begin to talk about the linking of the political structure. However, if the White Paper on the review of the political system is published before the draft political structure of the Basic Law is completed, how can we achieve this linking? It can only be achieved if the draft Basic Law is revised to confrom to the requirements of the White Paper. Will the Chinese Government assume its responsibility for the legislative reform of a colonial government regarding the basic law of the special administrative region after 1997? It is believed that by that time the Chinese Government will categorically indicate its stand on safeguarding its sovereignty. The "secret rendezvous between lovers" will not have any effect. It will lead to meaningless changes in political structure. After it is changed, it will be returned to its former shape. Not only is this imprudent, but this is not the way for the British to withdraw with dignity. It is believed that Wilson will not be led by the nose by some self-styled advisers and go astray.

A "Popularly-Elected Legislative Council" Is Planned for Next Year [subhead]

Those entertaining the idea of holding a "secret rendezvous" know where the danger lies. They try by every possible means to find a way to make a breakthrough in order to establish the fact of a "popularly-elected Legislative Council." They know full well that the Chinese side does not oppose direct elections after 1997 but does not approve of hurriedly holding direct elections in 1988.

Therefore, they put forward the argument that if there are no direct elections in 1988, there will be no direct elections after 1997. This argument can reap the benefits of fishing in troubled waters before the draft Basic Law is made public; that is to say, trying to hold direct elections by constituency in 1988. For this reason, they can disguise themselves by saying that this method is also acceptable to the Chinese side.

Allen Lee, who has always opposed direct elections, recently said that there would be direct elections in 1988. This is a sensitive point.

People are not surprised at the change in Allen Lee's attitude. The Hong Kong Government had earlier planned personnel rearrangements for the Executive and Legislative Councils -- S. Y. Chung is to retire next year, and Lydia Dunn is to fill the vacancy left by Chung. However, the idea of a "popularly elected Legislative Council" is planned to materialize in 1988, which will mean that the number of seats for popularly elected council members will increase to over 50 percent. Who will be appointed as the senior member of the Legislative Council in the interests of British control over the "popularly elected Legislative Council"? Someone has brought up the issue with Allen Lee, explained the advantages and disadvantages to him, and instigated him to change his stand to support the drive for direct elections by constituency in 1988, hinting that he would be recommended to lead the Legislative Council if his performance was satisfactory.

On 26 November last year, Allen Lee delivered a speech at a regular meeting of the (Tung Chi) [0681 3444] Society. Asked by reporters about development of the government system, Lee pointed out: Direct elections will be held within certain constituencies in Hong Kong by 1988, and the requirements for candidates for the election are now under consideration. Local political organizations believe that the lack of direct elections would hinder the development of democracy and representative government in Hong Kong, he said.

Some individual members of the Legislative Council have suggested that by 1988 the number of Legislative Council seats reserved for non-civil servants be raised to 60, an increase of 14 over the present, and the number of directly elected members be maintained between 6 and 10.

Some people believe that this proposal means that candidates are to be nominated from among members of district boards and council members are to be directly elected from among these candidates.

Reform of the Government System Brooks No Mistake [subhead]

The crux of the issue is that after the 1988 elections, two successive direct elections will be held in 1991 and 1994 and the proportion of directly elected council members will then be expanded again. A radical reform like this will lead to a drastic increase in the number of directly elected council members, which will in its turn help to build up a government "rooted in the Hong Kong people." Thus Beijing's sovereignty over Hong Kong will be rendered nominal in the wake of the process of "surrender of government to the people."

The British are responsible for governing Hong Kong until 1997 before handing power to China, which will then grant autonomy to the Hong Kong people in accordance with the Basic Law. If government power is surrendered to the people ahead of schedule, then the handing over of power by the British will be a mere formality. The formulation of the Basic Law implies China's regaining of sovereignty over Hong Kong. The future Hong Kong Government will merely be an autonomous region and an administrative unit. Hong Kong cannot possibly become an independent political entity before 1997. Therefore it cannot set up a political structure in the form of a state by copying the model of representative government adopted by other British colonies turning independent.

Any local autonomous political regime in the world enjoys only the right to handle local administrative, legislative, and judicial affairs and economic operations. It can never resist the exercise of sovereignty by the central authority. The chief executive of a local autonomous government must still be appointed by the central government, on behalf of which he is to assume supervision and leadership over the local autonomous regime. The local chief executive has a two-fold status -- he must be responsible to both the local people and the central government. It is based on this principle that the Sino-British Joint Declaration stated: With a view to upholding national unity and territorial integrity, the Hong Kong Special Administrative Region will be established directly under the authority of the PRC; and the Hong Kong Special Administrative Region will enjoy a high degree of autonomy. All laws promulgated by the Hong Kong legislative body will remain valid provided they conform with the Basic Law and relevant legal procedures.

China's basic stand is not to implement the socialist system and policies in Hong Kong, but to keep the capitalist system and life style unchanged in Hong Kong for 50 years. Any attempt to render China's sovereignty nominal will be useless and in vain. The model of representative government practiced by independent countries will inevitably bring about general direct elections and give rise to political parties, because the control over political power and the election process will then be impossible without party politics. However, what programs are these parties going to put forth? What should be done if any political party hostile to the central government emerges? What are we going to do if the KMT and its affiliated parties attempt to participate in the elections? What are we going to do if the CPC and its affiliated parties rise to take the challenge? What will be the influence on Hong Kong's stability and prosperity once antagonistic politics take shape?

Any wrong move in the reform of Hong Kong's government system will inevitably bring about terrible turbulence to the whole situation, seriously frustrate the economy, and in the end lead to the failure of the "one country, two systems" program. Other countries, such as the Philippines, Indonesia, India, and Pakistan, can launch direct general election experiments. If the experiments fail, at worst they will resort to coups d'etat, curfew, martial law enforcement, seizure of power, demonstrations, or rebellion. After all, they can start everything anew. But if we fail in our experiment in Hong Kong, how are we going to deal with the aftermath? Will we have any chance to start anew?

Direct Election Is Not the Only Democratic Form [subhead]

Hong Kong is an administrative entity. Hong Kong's successful experience is not to indulge in politics, still less to confront Beijing, but to devote all its energy to economic development and to the efforts for prosperity. That is the very reason why Beijing has decided to apply the principle of "one country, two systems" to Hong Kong after its recovery of sovereignty over the territory. Beijing wishes to see that this propserous port and financial center will play the role of a bridge opened to the outside world to import foreign capital and technology.

Even the British, armed with warships and guns, do not want to confront China. With a view to maintaining friendship and cooperating with China, they have made efforts to properly solve the historical issue. Their purpose in doing so is to keep alive the goose that lays the golden eggs. The Sino-British Joint Declaration stated that "the economic interests of the United Kingdom and other countries in Hong Kong will be given due regard." Some people's expectation that general direct elections and party politics can be used to resist Beijing and render Beijing's sovereignty over Hong Kong nominal is nothing but wishful thinking.

Some people deny that they want to resist Beijing but admit that they intend to render Beijing's sovereignty nominal. Can the Basic Law's influence be alleviated? Or will deprivation of the authority of the Basic Law by hurrying the representative government process by 1988 be an effective policy?

The only way to maintain sustained prosperity in Hong Kong is to cooperate with Beijing in implementing the principle of "one country, two systems" through dialogue and consultation. Democracy assumes various forms. But, after all, democracy must conform with the principle of local autonomy and actual circumstances. Forms of state copied from foreign countries do not necessarily meet Hong Kong's needs. Direct elections are a form of democracy but not a unique form. Hong Kong is a diversified and harmonious society where antagonistic politics should be avoided, and elections should help to promote diversification and harmony. The democratic process should not necessarily be completed by some date between 1988 and 1997, but be carried out step by step beyond 1997.

Some People Have Spread Rumors To Mislead the Readers [subhead]

The Chinese nation is one which sets store by national dignity. What political system should be established in the Hong Kong Special Administrative Region in 1997 and how fast the democratic process should proceed are covered by the PRC Basic Law. People in the colonial government should not take others' jobs into their own hands, hindering the formulation of the Basic Law and infringing upon China's sovereignty and dignity. Any attempt to hurry direct elections and introduce radical reform of Hong Kong's government system will not be good for a smooth transition.

Some people have spread the rumor that Beijing has agreed to an earlier election of Hong Kong deputies to the National People's Congress by 1988. They have linked this to the development of Hong Kong's government system, saying that this move "is of great political significance since a revision of Hong Kong's governmental system will be launched this year." Sources close to the Chinese authorities have said that this is sheer fabrication. They point out that it is absolutely impossible to lay down a guideline for the form of election of NPC deputies from the Hong Kong region before the specific chapter of the Basic Law on the government system of the Hong Kong Special Administrative Region is drafted.

In my opinion, the election of NPC deputies from the Hong Kong region has nothing to do with the development of the governmental system in Hong Kong. As Hong Kong is still under British administration, it is impossible to elect NPC deputies in accordance with the Constitution and the Election Law of China. For this reason, Hong Kong deputies will still have to be appointed to represent different circles. Even after 1997, in view of the principle of the "one country, two systems," Hong Kong will not necessarily have to copy the laws and ordinances of Mainland China regarding the election of NPC deputies.

The election of NPC deputies and the British Hong Kong Government's intention of hurrying direct elections are two entirely different things. Lumping the two things together and citing the former to prove that Beijing agrees with early direct elections can only lead to incorrect conclusions and mislead the readers.

HONG KONG DOLLAR SECURITIES RANK 10TH IN WORLD

OW101046 Beijing XINHUA in English 0816 GMT 10 Feb 87

[Text] London, February 10 (XINHUA) -- Hong Kong's capital market is Asia's fastest growing after Tokyo, giving foreign bankers a new reason to remain there, according to a report in the latest issue of THE ECONOMIST magazine.

The growth is attributed to falling interest rates and China's enthusiasm for the market.

The report shows securities issued in Hong Kong dollars now rank 10th in the world with Hong Kong leading Singapore as an important capital market in Asia since its take-off in 1984.

Total 1984 issues, including certificates of deposit, commercial paper, and floating and fixed-rate notes and bonds, amounted to only 2.45 billion Hong Kong dollars (314 million U.S. dollars).

Now the total circulation of commercial paper alone is nearly 15 billion Hong Kong dollars.

"This new Hong Kong capital market is a stringy adolescent," the magazine noted.

In Hong Kong now between 60 to 65 per cent of the fixed and floating-rate note issues are held by banks, with about 30 foreign banks doing most of the trading there.

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